Registration Document 2017

Trusted partner for your **Digital Journey**

Atos

SOMMAIRE

Les éléments du Rapport Annuel Financier sont identifiés dans ce sommaire à l'aide du pictogramme RFA

Atos

registration document 2017

including **Annual Financial Report**

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail. The original document has been filed with the Autorité des Marchés Financiers (AMF) on February 26, 2018, 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.

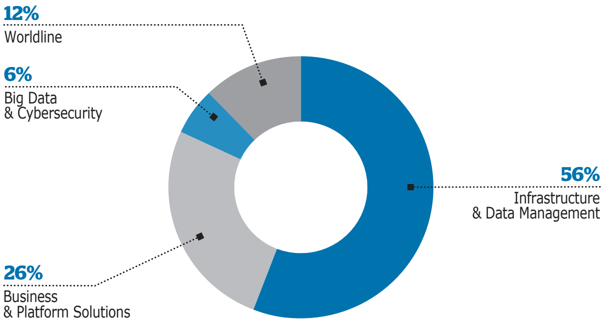
A
Group overview

A.1 Revenue profile

[GRI 102-6] [GRI 201-1]

A.1.1 By Division

In 2017, 77% of the Group revenue was generated by multi-year contracts, deriving from Infrastructure & Data Management (56% of total revenue), 75% of Worldline transactional services (9%), Application management contracts included in Business & Platform Solutions, and half of Big Data & Cybersecurity (respectively 9% and 3%).

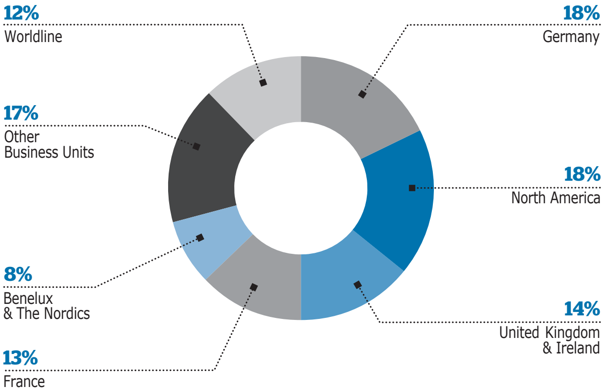


(In € million)	2017
Infrastructure & Data Management	7,144
Business & Platform Solutions	3,243
Big Data & Cybersecurity	754
Worldline	1,550
TOTAL GROUP	**12,691**

A.1.2 By Business Unit

[GRI 102-4]

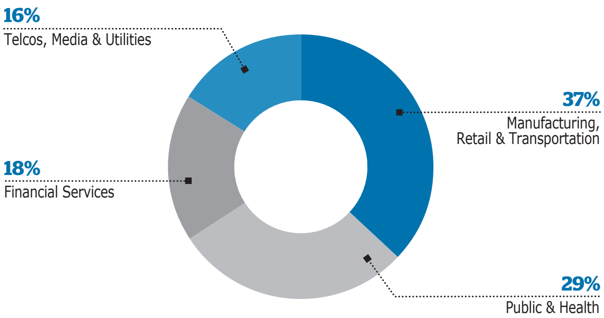
Europe and North America are the Group's main operational bases, generating 93% of total revenue in 2017.



(In € million)	2017
Germany	2,251
North America	2,231
France	1,725
United Kingdom & Ireland	1,715
Benelux & The Nordics	1,084
Other Business Units	2,136
Worldline	1,550
TOTAL GROUP	**12,691**

A.1.3 By Market

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



(In € million)	2017
Manufacturing, Retail & Transportation	4,726
Public & Health	3,661
Financial Services	2,273
Telcos, Media & Utilities	2,032
TOTAL GROUP	**12,691**

A.2 Business profile

[GRI 102-1] [GRI 102-2]

Atos SE (Societas Europaea) is a leader in digital transformation with circa 100,000 employees in 73 countries and pro forma annual revenue of circa € 13 billion. Serving a global client base, the Group provides Infrastructure & Data Management services, including Cloud services and Digital Workplace services, Business & Platform Solutions, Big Data and Cybersecurity products and services as well as transactional services through its subsidiary Worldline. Atos is positioned as a European or global leader in most of those activities.

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. As an example, Atos is the Worldwide Information Technology Partner for the Olympic & Paralympic Games.

Atos' objective is to empower its clients on their digital journey thanks to 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 these challenges related to their digital transformation:

- reinvent business model;
- improve the customer experience;
- ensure trust and compliance;
- reinforce operational excellence.

The Group is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify, and Worldline.

A.2.1 Atos Digital Transformation Factory

In order to answer the holistic challenges and needs 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 33 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.

A.2.2 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 Orchestrated Hybrid Cloud*. Atos has been recognized several times by independent analysts as the most visionary workplace services provider in Europe thanks to its *Atos Digital Workplace* offering leveraging on its unique unified communications capabilities from Unify, 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 Orchestrated Hybrid Cloud* solutions. Through *SAP HANA by Atos*, 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. 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, Business lines de Worldline 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: e-Payment 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 9,400 people worldwide, with estimated revenue of circa 1.6 billion euros on a yearly basis. Worldline is an Atos company.

A.2.3 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' 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' 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 enables 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.

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.

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.

A.3 Interview with Thierry Breton

[GRI 102-14]

Thierry Breton
Chairman & Chief Executive Officer

Leading the way into the future of IT

How did Atos perform in 2017?

It was a very dynamic year for Atos and we registered strong growth across all our Divisions. Our organic revenue growth was fully in line with the targets of our 3-year plan, 2019 Ambition, and we accelerated the growth of our digital business.

During 2017 we signed a series of significant contracts with our customers for the innovative offerings of our Digital Transformation Factory. Advanced technologies from Atos such as automation, cybersecurity, cognitive solutions and artificial intelligence are helping clients in all sectors reinvent their business models, improve their customers' experience, optimize their operations and transform for the digital age. This year we have showed once again that we are leaders in technology and that we are leaders in value creation.

How do you keep Atos people's skills at the cutting edge?

Digital transformation offers opportunities and challenges for all of us in our daily lives and in our professional work. New skills are required to thrive in an all-digital environment.

At Atos we have an exciting program of training and certification offerings, particularly in the field of our Digital Transformation Factory, with many career development webinars and other initiatives delivered via our Atos Global University. In 2017, we offered record levels of training to our workforce. Our employees achieved 35,000 digital certifications this year, double the level of 2016. In early 2018, Atos achieved a new milestone with the inauguration of the Atos University in India.

How does Atos assert its leadership in technology?

Innovation is more important to us than ever before. Our objective is to offer the best that IT can provide to create value for our company and for our customers worldwide. This year, we invested around € 300 million in R&D.

Thanks to the invaluable support and involvement of our Expert Community and of our Scientific Community, we are recognized world leaders in critical technologies such as cybersecurity, data analytics, hybrid Cloud, e-payments, high performance computing, automation and artificial intelligence.

I would like to highlight the breakthroughs we made in quantum computing in 2017. With the support of the Atos Quantum Advisory Board, which includes Nobel prize winner Serge Haroche and Fields medalist Cédric Villani, we launched the Atos Quantum Learning Machine. This is the highest performing quantum simulator in the world. We have already delivered one copy of the machine to the Oak Ridge National Laboratory, Tennessee, the US department of Energy's largest multi-program science and energy laboratory.

What role do the recent acquisitions play in Atos' strategy?

Mergers and acquisitions have always featured prominently in the Atos business model and in the way we create value for our shareholders.

Over the course of the year, we have made a series of acquisitions that have reinforced our technological leadership, in areas such as Big Data and automation (zData), digital payments (Digital River), cloud orchestration (Engage ESM, imaKumo), cybersecurity and secure communications (Siemens Convergence Creators) and e-health (with three healthcare acquisitions in the US).

These are all key growth markets for Atos. The businesses we have acquired will add to our technological capabilities, increase our footprint and eXpand our customer portfolio. In the future, we will continue to pursue an active acquisitions strategy, while of course maintaining our financial discipline at all times.

Where do Atos' business partners fit into the picture?

Atos is at the heart of a unique ecosystem of technological partners. These alliances and partnerships, and the technological portfolios they bring, are key to our strategy. Our Digital Transformation Factory is leveraging the expertise of world leaders such as Siemens, Dell EMC and SAP to develop our capabilities and grow our market share.

We fully intend to continue to deepen these critical partnerships and pursue new alliances with other advanced players to enhance our skills and eXpand our know-how.

What part does Corporate Social Responsibility (CSR) play in the Group's success?

Sustainability is a core value that we aim to embed in all of our processes and operations. Atos is recognized as a global leader in CSR by external agencies such as DJSI, ECOVADIS, the "Global Reporting Initiative" and the CDP. We have set ambitious extra-financial targets for our environmental and social performance in our 2019 Ambition and we are making good progress towards meeting them.

I believe that our excellence in this area is a key differentiator for us in a very competitive market. Sustainability is a major concern for our clients. They expect from us nothing less than a world-class performance in CSR that we again achieved in 2017.

What does 2018 hold for Atos?

I expect another year of solid growth across all our Divisions. I am confident that we will continue to achieve the targets of 2019 Ambition and create increased value for our customers and our shareholders, and indeed all our stakeholders, building on the credibility and trust we have established in the market.

We will continue to reinforce our technological strengths through our innovative high-technology Digital Transformation Factory solutions, together with our expert digital offerings in cybersecurity and payments and e-Transactions with Worldline. Many examples of these strengths were showcased recently at the PyeongChang 2018 Olympic Winter Games.

On behalf of our Board of Director, the Executive Committee and the whole management team, I would like to thank all our employees for their continuing support to the Atos growth story.

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, February 26, 2018

A.4.3 For the audit

APPOINTMENT AND TERM OF OFFICES

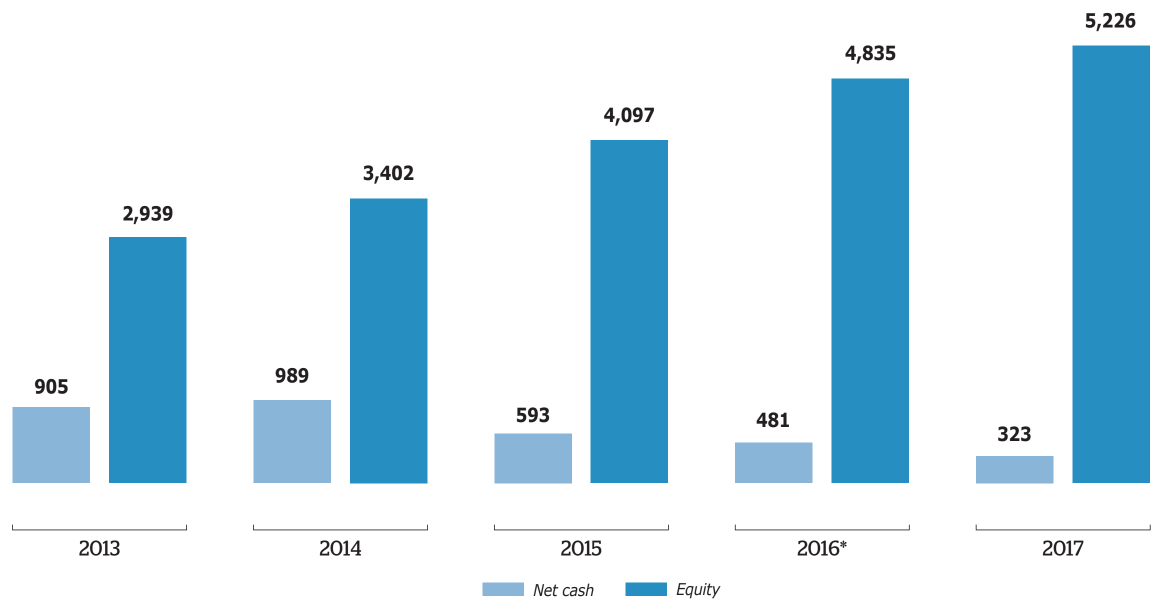
Statutory auditors	Substitute auditors
Grant Thornton Virginie Palethorpe	**Cabinet IGEC**
• Appointed on: October 31, 1990, then renewed in October 24, 1995, in Mai 30, 2002, in June 12, 2008, and in Mai 17, 2014	• Appointed on: October 31, 1990, then renewed in October 24, 1995, in Mai 30, 2002, in June 12, 2008, and in Mai 17, 2014
• 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: December 16, 1993, renewed in February 24, 2000, in Mai 23, 2006, and in May 30, 2012	• Appointed on: December 16, 1993, renewed in February 24, 2000, in Mai 23, 2006, and in May 30, 2012
• 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 2017

[GRI 102-7]

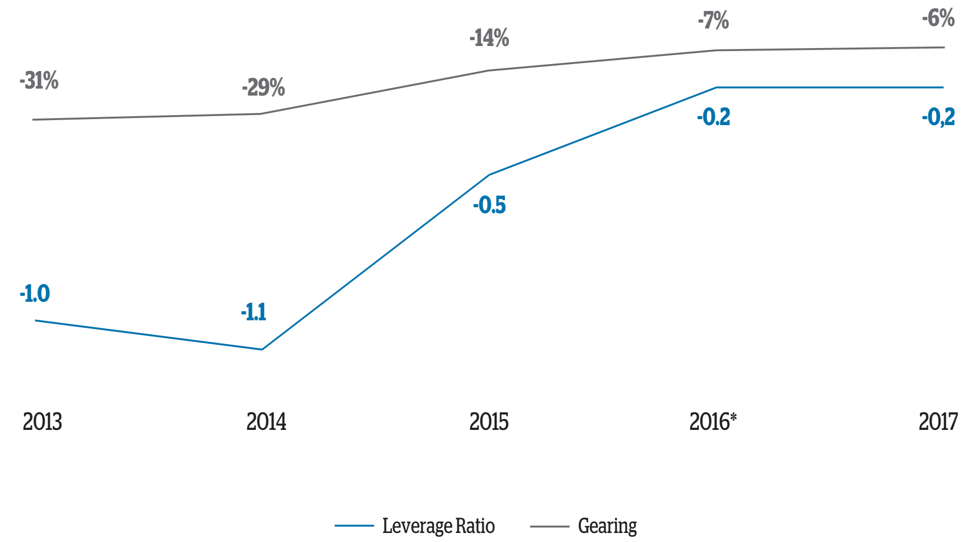
A.5.1 Key graphs

NET CASH AND EQUITY
(in € million)



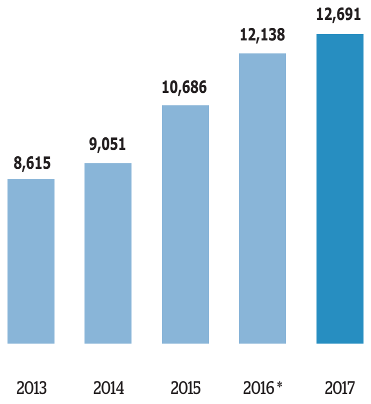
* December 31, 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

NET DEBT/OMDA AND NET DEBT/EQUITY



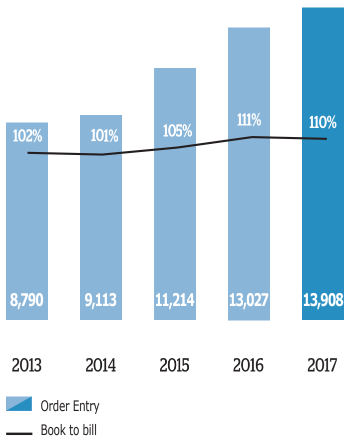
* December 31, 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

5-YEAR REVENUE PERFORMANCE
(in € million)

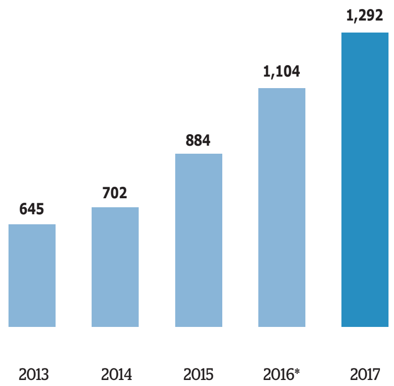


* December 31, 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

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

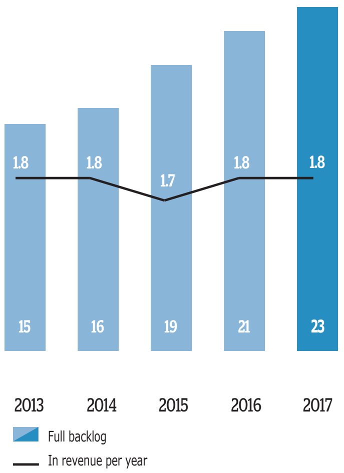


5-YEAR OPERATING MARGIN
(in € million)

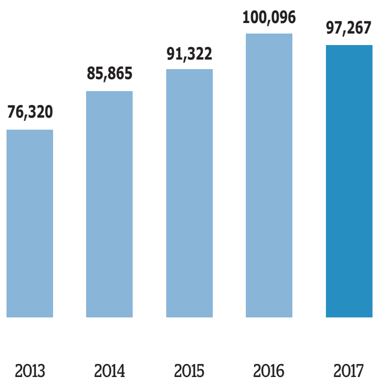


* December 31, 2016 adjusted to reflect change in presentation disclosed in E.4.7.2 "Basis of preparation and significant accounting policies"

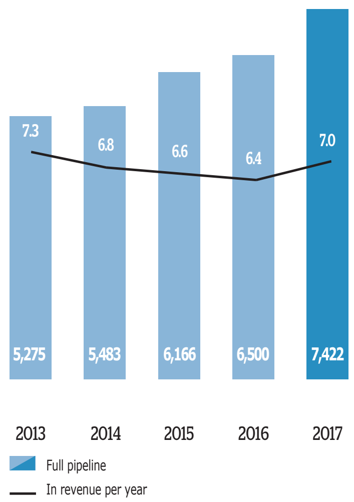
FULL BACKLOG
(in € billion and in year of revenue)



5-YEAR EMPLOYEE EVOLUTION
(in € million)



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



A.5.2 2017 key achievements

January

Atos announced on **January 2**, 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.

On **January 11,** Atos announced that it has signed a multi-million Euro five-year contract with Coca-Cola Hellenic Bottling Company (CCHBC), one of the world's largest bottlers of brands of The Coca-Cola Company. Under the new contract, Atos will take over development and management of key IT applications supporting the CCHBC business. The new partnership between CCHBC and Atos will be mutually beneficial, strengthening Atos Food & Beverage (F&B) capability while providing CCHBC with access to the Atos global innovation and expertise. Atos will play a key role in helping Coca-Cola HBC drive change and innovation in business critical processes across 28 countries and 8 time zones to support growth, accelerate time to market and optimize IT spend. Atos also announced today that it has acquired 100% of InfoPartners, a leading provider of specialist SAP services in Bulgaria with annual revenue of 15 million and 423 employees. InfoPartners is the incumbent supplier to CCHBC and will serve as the base for the Bulgarian F&B competence center. Atos will draw on the expertise and skill of the InfoPartners team to continue the excellent delivery it has been providing to CCHBC over the last 15 years, while using its own global experience to further improve and strengthen the end-to end service.

On **January 20**, Atos announced the first installation of its Bull sequana X1000 new-generation supercomputer system, in the UK at the Hartree Centre. Founded by the UK government, the Science and Technology Facilities Council (STFC) Hartree Centre is a High Performance Computing and data analytics research facility. The world's most efficient supercomputer, Bull sequana, is an exascale-class computer capable of processing a billion billion operations per second while consuming 10 times less energy than current systems.

Atos had secured on **January 24,** a five-year contract, extendable for an additional five years, with the government of Western Australia (WA). This follows a stringent selection process in which 56 companies pitched to deliver on the 'GovNext-ICT program', a foundational element of the State's Information and Communications Technology (ICT) strategy launched in 2016. With this appointment, Atos is on track to achieve its ambition to bring world-class standards and business practices that will re-invent and transform citizen engagement in Western Australia.

February

On **February 8**, Atos had secured an initial ten year contract with University College London Hospitals NHS Foundation Trust (UCLH) to be its Digital Transformation Partner and broadening its client base within the health services sector as a result. Under the agreement Atos delivers IT outsourcing (ITO) and enhances the unified Information and Communications Technology (ICT) service model to fully support the UCLH mission to deliver high quality patient care, excellent education and world-class research.

On **February 17**, Atos expanded its expertise in Big Data services with the acquisition of zData, a leader in Big Data consulting and solutions for both commercial and enterprise corporations. Atos had signed a share purchase agreement with zData, bringing a unique team of software engineers and data scientists to support its customers' digital transformation journey within all sectors. This strategic acquisition brings a new level of scalability, reliability and performance giving enterprises all the benefits of open-source software framework Hadoop through the world's most advanced turnkey Hadoop solution for critical production workloads. The company is working with the industries best software providers for on-site and off-site consulting - from Greenplum to Hadoop and PIVOTAL HDB (HAWQ) expertise.

On **February 22**, 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.

March

On **March 8**, Atos was the first partner to deliver mobile applications for MindSphere, the open, cloud-based IoT (Internet of Things) operating system from Siemens. These applications enable manufacturers to access and analyze production data via their mobile devices, enabling them to efficiently manage production, resolve conflict and optimize resources to improve plant productivity. The first six MindSphere applications from Atos include the Manufacturing Sustainability App and the Production Confirmation App. The apps integrate the production data with that from the various management systems, such as Manufacturing Execution Systems (MES) and Enterprise Resource Planning (ERP). Using Big Data Analytics, the apps enable users to receive role-specific and position-specific data about the current and future status of production. With these apps users are able to respond to and manage emerging problems in the production process in a timely manner, streamlining production processes. These Atos apps will be available to end-users in MindSphere version 2.0.

On **March 9**, the Euronext Scientific Board on Indices announced its decision to include Atos in the CAC 40 index, the primary index of the Paris stock exchange, where the Group is listed. This decision took effect as from the **March 20, 2017** market trading session. Inclusion in the index reflected Atos' outstanding performance and the deep transformation made within the Group over recent years under the leadership of Thierry Breton. It also reflected the investors confidence in Atos' growth strategy based on its unique positioning in digital transformation. This decision was based on the positive evolution of Atos' stock with regard to market capitalization and trading volumes while further improving visibility and liquidity.

On **March 27**, Atos, a global leader in digital transformation, is ranked at the top of the CAC 40 Governance Index, a new corporate governance index based on the CAC 40, developed by Euronext together with Corporate Social Responsibility (CSR) rating agency Vigeo Eiris.

April

On **April 24**, Atos announced the revenue of its first quarter of 2017, a strong start of the year. Q1 2017 revenue (including Unify S&P as of January 1, 2017) was € 3,111 million, up +2.0% organically and +12% at constant exchange rates. Order entry was € 3,035 million leading to a book to bill ratio of 98%. The decision was made to integrate Unify Software & Platforms into Atos.

May

On **May 10,** Atos announced that it has been selected as the trusted digital partner to provide IT services for Northern Ireland Electricity Networks Limited (NIE Networks), the owner of electricity transmission and distribution infrastructure in Northern Ireland. Under the £ 60 million, seven year agreement, Atos supplies NIE Networks with a range of core services including desktop management, applications management, ICT infrastructure, hosting and voice and data network services. These help NIE Networks to deliver continual improvement and innovation, drive operational excellence and assist the business to operate optimally in the changing electricity market, so it can continue to provide an efficient service to its 860,000 customers in Northern Ireland.

On **May 11**, Atos announced that it has signed a new five year deal with the BBC to provide technology services. Atos supports the BBC's digital transformation and provide staff with simple to use, quality tools and systems, helping them continue to make world-class programmes and services.

On **May 19**, Atos announced it had been selected by the State of California as an approved provider for Next Generation 9-1-1 (NG9-1-1) Systems and Services. The extensive, competitive bid process resulted in a multi-year agreement for NG9-1-1 Core Services with the California Governor's Office of Emergency Services (Cal OES). With 77% of Americans now owning a smartphone, app and text message use has challenged current emergency response infrastructures nationwide.

Atos SE held on **May 24**, its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. The Group presented record results performed in 2016, for revenue growth, order entries, operational profitability, net result and free cash flow. The General Meeting massively approved the annual and consolidated accounts for the financial year ending December 31, 2016 and the 2016 dividend payment of €1.60 per share, up over 45% compared to 2015.

On **May 31**, Atos published its 2016 Corporate Responsibility Integrated report for the third consecutive year, in accordance with the most demanding recommendations from the Global Reporting Initiative G4 comprehensive option and the International Integrated Reporting Framework. The Global Reporting Initiative (GRI) is an international independent standards organization widely used for its sustainability reporting guidelines. Since 2014 Atos has successfully completed the GRI Content Index Service in accordance with the G4 comprehensive option. This ongoing commitment demonstrates Atos' world-class performance in corporate responsibility and recognizes Atos as a trusted business partner and as a responsible employer.

June

Atos held on **June 1**, its 'Atos Quantum' Scientific Council meeting. 'Atos Quantum' was the first industry program in Europe to develop quantum computing solutions that offer unprecedented computing power, while anticipating future cybersecurity challenges. Held at Les Clayes-sous-Bois in the Paris region – at Atos' global R&D headquarters dedicated to supercomputing – the members of the Scientific Council reviewed the first achievements of the program since its launch in November 2016.

One **June 15**, Atos, through its technology brand Bull, won a contract with GENCI (Grand Équipement National de Calcul Intensif) to deliver one of the most powerful supercomputers in the world, planned for the end of 2017. A successor of the Curie system installed at the TGCC (Très Grand Centre de Calcul of the CEA in Bruyères-Le-Chatel), the Bull sequana supercomputer has an overall power of 9 petaflops and can carry out 9 million billion operations per second. It will be used for research purposes in France and Europe.

July

On **July 3**, Atos announced it had been awarded a contract by the AWE to install a new Bull sequana supercomputer – one of the most powerful in the world. The Bull sequana supercomputer uses the latest generation of direct-liquid cooling to enable the densest and most energy-efficient platform in the industry with the system to be installed using the latest Mellanox EDR interconnect and a high performance Seagate Lustre storage appliance offering around 100 G'byte per second of I/O performance.

On **July 4**, Atos announced the launch of its new prescriptive Security Operations Center (SOC). Combined with Atos Big Data analytics capabilities and powered by Bullion servers, the new security solution makes it possible for customers to predict security threats before they even occur. Detection and neutralization time had been improved significantly compared to existing solutions. Atos builds on its existing and proven assets to deliver the Prescriptive SOC. The Atos Data Lake Appliance powered by Bullion and Atos research in Artificial Intelligence are in the heart of what makes Atos Prescriptive SOC unique.

On **July, 4**, Atos introduced the world's first commercially available machine-system capable of simulating up to 40 quantum bits (Qubits). The simulator, named 'Atos Quantum Learning Machine' (Atos QLM), is powered by an ultra-compact supercomputer and a universal programming language. Available in 5 power configurations (30 to 40 Qubits) to cover the needs of different organizations, Atos QLM enables researchers, students and engineers to develop and test today the quantum applications and algorithms of tomorrow. The machine, designed by the 'Atos Quantum' laboratory – the first major quantum industry program in Europe, launched in November 2016 – had developed several top-class innovations which have resulted in numerous patent applications.

On **July 17**, Atos announced that its subsidiary Worldline has entered into a definitive agreement to acquire 100% of the share capital of Digital River World Payments (DRWP), a leading online global payment service provider from Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions.

On **July 24**, Atos provided comprehensive infrastructure and data center services to the NATIONAL-BANK AG, one of Germany's leading independent regional banks headquartered in Essen. The five and a half year contract includes data center, server, mainframe, database and storage services. Under the contract Atos delivers the operation and maintenance of the Internet and application servers. It is also be responsible for creating customized security solutions. The NATIONAL-BANK AG is thus able to meet increasingly stringent regulatory requirements for banking data center operations in the future as well and to respond quickly and flexibly to changing IT requirements.

In accordance with what was announced at the Annual General Meeting on May 24, 2017, Atos SE held on **July 24**, an Extraordinary General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company, in order to decide on a simplified 2017 performance share plan. The General Meeting approved the resolution related to this plan with a very significant score of 96.95%.

On **July 26**, Atos announced its financial results for the first half of 2017. Atos's technology leap marks the strongest H1 ever. Revenue was € 6,311 million, up +11.6% at constant exchange rates and +2.2% organically. The Group reached +2.4% organic growth in the second quarter of 2017, strengthening the positive trend already performed in the first quarter. All the Divisions contributed to revenue organic growth thanks to a strong commercial momentum and to the investment strategy in innovation and technology. Operating margin was € 538 million, representing 8.5% of revenue, an improvement of +190 basis points fueled by Infrastructure & Data Management (+240 basis points), Business & Platform Solutions (+120 basis points), and Worldline (+240 basis points). Free cash flow totaled € 242 million during the first half of 2017, +35% compared to H1 2016 free cash flow. Further to free cash flow generation, dividend paid on 2016 results, capital increase and share by back, Group net cash position was € 342 million at the end of June 2017.

August

On **August 22**, Atos strengthened its relationship with Dell EMC through a new reseller agreement in which Dell EMC will resell Atos' high-end 8 to 16 sockets x86 Bullion servers. This new agreement is in line with the ambition of both parties to accompany customers in their digital transformation to support the massive "data-ization" of their businesses. Bullion servers are certified by SAP and Oracle and complete Dell EMC's existing portfolio of high-end advanced PowerEdge servers. Both companies work closely together on sales and marketing activities to offer high-performance solutions in the field of big data and the Internet of Things, development of private clouds and SAP HANA solutions. The Bullion reseller agreement is a new step in the ongoing collaboration between the two companies.

September

On **September 20**, Atos announced that it had again been recognized as a leader among the most sustainable companies in the Dow Jones Sustainability Indices (DJSI World and Europe 2017) in the IT services sector. The 2017 results are compiled by sustainability investment specialist RobecoSAM. Atos' performance was recognized due to its continuous investment in the sustainability field, with a total score of 83 out of a maximum of 100 points.

On **September 27**, Atos announced that its subsidiary Worldline had achieved the completion of the agreement with First Data Corporation (NYSE: FDC) announced on July 25, 2017, for the acquisition of 100% of the share capital of First Data's fully owned subsidiaries in Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c.€ 73 million, financed by available cash. Having generated revenue of c. € 23 million in 2016 and presenting a strong financial profile with OMDA margin materially above Worldline's OMDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services. Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries and significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

October

On **October 2**, Atos announced a new contract with world-renowned Brazilian football club São Paulo to implement real-time enterprise resource management suite SAP S/4HANA to improve and modernize its administration. SAP S/4HANA is the most advanced integrated management system on the market. The new system helps São Paulo to digitalize and automate processes involving employee contracts, facilities management, training, procurement, delivery and stock control in the HR, Finance, fiscal management, supply and asset control departments. The entire implementation process will take between six and eight months and it is expected that the Company will be able to achieve an increase in productivity and time, as well as resource savings of up to 80%.

Atos announced on **October 2** its project to acquire Siemens Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider, headquartered in Vienna. With its highly skilled engineers and a total headcount of approximately 800 staff, CVC delivers software based solutions in the fields of communication networks, service and customer management, public safety and security, multimedia infotainment, as well as space technology. CVC was initially an internal innovative R&D and solutions partner for multiple Siemens Business Units (BUs). In 2016, Siemens completed its carve out as an independent Siemens BU with its own IP resources and an external customer strategy.

On **October 3**, Atos announced that its subsidiary Worldline entered into a definitive agreement to acquire 100 percent of the share capital of one of the fastest growing payment platforms in India – MRL PosNet, a technology-led, integrated merchant acquiring solutions provider, for a consideration up to c. € 89 million, representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline. Founded in 2008 and headquartered in Chennai, India, MRL PosNet employs approximately 140 highly skilled engineers in Payment in India. Operating an innovative and state-of-the-art terminal management platform, enabling very cost efficient deployment and management of new terminals, MRL PosNet currently processes payment transactions on behalf of 18 Indian banks, through the management of c.100,000 payment terminals.

On **October 4**, Atos announced that it had closed the acquisition of the following healthcare consulting companies: Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting and Conduent's Breakaway Group. Following on from the acquisition of Anthelio Healthcare Solutions in 2016, these acquisitions will allow Atos to play a leading role in the fast-growing U.S. healthcare IT market, to support provider groups and payers as they look to optimize clinical and financial performance and address the increasing demands of new government regulations. The newly acquired companies bring recognized industry expertise within healthcare consulting including technology adoption, program and project management; Electronic Health Record (EHR) implementation and optimization capabilities, and population health and analytics expertise. This will further strengthen the scale and scope of Atos' healthcare-focused services in its Business & Platform Solutions Division.

On **October 16**, Atos in cooperation with its subcontractor SLTN Inter Access (SLTN) had signed agreements with seven University Medical Centres (UMCs) in the Netherlands for the provision of server and storage capacity, and service desk facilities. This three-year contract allows the UMCs to develop their server and storage infrastructure, collaborate more efficiently and minimize costs. The contract also enables the hospitals to easily procure additional services such as support and maintenance services, cloud services and consulting.

On **October 18**, Worldline, an Atos company announced the completion of the agreement to acquire 100 percent of the share capital of Digital River World Payments (DRWP), a leading online global payment service provider from Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions. Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections. With its global reach, and positioning as a PSP and collector, DRWP is a strong complement to Worldline's existing and proven SIPS gateway.

On **October 24**, Atos announced the revenue of its third quarter of 2017. With revenue at € 3,002 million up by +10.9% at constant exchange rates and +2.5% organically, the third quarter continues the trend of the first part of the year with positive growth in each of the Divisions. Order entry was € 2,892 million representing a book to bill ratio at 96%.

On **October 27**, Worldline, an Atos company announced the completion of the agreement to acquire 100 percent of the share capital of MRL Posnet, for a consideration up to c. 6.5 billion Indian rupees (approximately € 84 million), representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline.

November

On **November 22**, Atos had been selected by PSA Finance Bank (BPF), an international leader in consumer Finance and mobility services in the automotive sector, as a privileged partner to manage its application base and to accelerate BPF's digital transformation in consumer credit, Business lines de Worldline and consumer experience. According to the initial four-year contract, Atos becomes the major Partner of the Information Systems department of PSA Finance Bank (BPF). Atos will contribute to the development and renewal of BPF's application portfolio, particularly in light of PSA Group's new challenges relating to transforming the automotive experience and new usage.

December

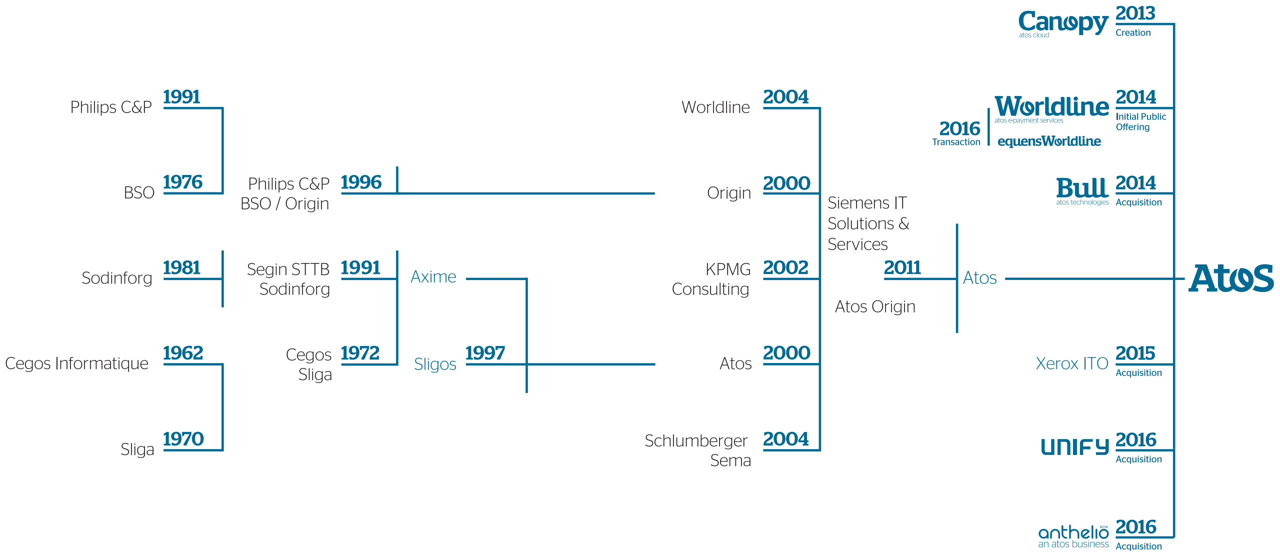
On **December 11**, Atos announced that it had made a formal proposal to acquire Gemalto by way of a public offer for all of Gemalto issued and outstanding shares. Atos invited Gemalto's Board of Director to engage discussions and review collaboratively this potential transaction. On November 28, 2017, Atos had delivered an offer to the Board of Director of Gemalto which is friendly, compelling, and which addresses the interests of all stakeholders. Since then, Atos had reiterated its friendly intentions. Considering increased risk that could impact Gemalto's shares, and for the purposes of market information, the Atos' Board of Director had decided to make its proposal public while affirming its willingness to engage into discussions with the objective to come to a transaction recommended by the Gemalto's Board of Director.

On **December 17**, Atos acknowledged Thales' offer to acquire Gemalto, at €51.0 per share. Following its financial discipline, the Board of Atos had decided not to pursue its offer to acquire Gemalto at €46.0 per share.

A.6 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 strengthened 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 Q3 2017 Atos pursued in this dynamic by acquiring 3 healthcare consulting companies: **Pursuit Healthcare Advisors**, **Conduent's Healthcare Provider Consulting** and **Conduent's Breakaway Group**.

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 the Netherlands, Germany and Italy. The same month Atos also reinforced its leading global position in ServiceNow implementation and training through the acquisition of **Engage ESM**, a "Gold ServiceNow Partner" with c. 140 employees mainly based in the UK. This acquisition is completed in September 2017 by the acquisition of **imaKumo** with circa 70 certified consultants mainly in France.

In February 2017, Atos expanded its expertise in Big Data services with the acquisition of **zData**, a leader in Big Data consulting and solutions for both commercial and enterprise corporations. This gave to Atos a unique team of software engineers and data scientists to support its customers' digital transformation journey within all sectors.

In September 2017, Worldline gained a unique leading position in the fast-growing Baltic countries and significant development perspectives in the Baltics with the acquisition of **First Data Baltics**, a leading financial processor company in the Baltics.

For additional information on group entities, please refer to E4.7 Note 30 Main operating entities part of scope consolidation as of December 31, 2017 and to Note 5.5.4 Note 3 Financial fixed assets, and for acquisition, please refer to E4.7 Note 1 changes in the scope of consolidation.

A.6.2 Management and organization

Atos is incorporated in France as a "Société Européenne" (European Company) with a Board of Director, 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 six 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	
Gilles Grapinet	Senior Executive Vice-President Global Functions and Worldline CEO	Coordinating global functions[1] and Worldline CEO
Eric Grall	Senior Executive Vice-President Global Operations and TOP Program	Coordinating global operations (Divisions and Business Units)[2] and TOP Program
Elie Girard	Senior Executive Vice-President, Chief Financial Officer	
Michel-Alain Proch	Senior Executive Vice-President, Group Chief Digital Officer, Internal IT, Security and quality	Coordinating group internal transformation strategy, internal IT, security and quality
Patrick Adiba	Senior Executive Vice-President CEO North America Operations	CEO North America Operations and CEO Olympics & Major Events
Robert Vassoyan	Senior Executive Vice-President Group Chief Commercial Officer[3]	

1 *Excluding 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.*
2 *Excluding Worldline that is under the responsibility of Gilles Grapinet.*
3 *Starting March 2018*

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.

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.

Eric Grall, Senior Executive Vice-President coordinating Global Operations and TOP Program

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. Since 2017, he is Executive Vice-President in charge of Atos Global Operations (Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity, and Unify Software & Platforms), TOP Program, and Geograpic Business Units. He is part of the Atos General Management Committee since February 2018.

Elie Girard, Senior Executive Vice-President, 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. He is part of the Atos General Management Committee since February 2018.

Michel-Alain Proch, Senior Executive Vice-President, Group Chief Digital Officer, Internal IT, Security and Quality

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 is appointed CEO North American Operations and in charge of coordination Internal IT and Security. The same year he became Senior Executive Vice-President and a member of the General Management Committee. Since February 2018, Michel-Alain Proch has been in charge of the Atos Digital Transformation as Group Chief Digital Officer, in addition of Global IT, Global Security and Global Quality.

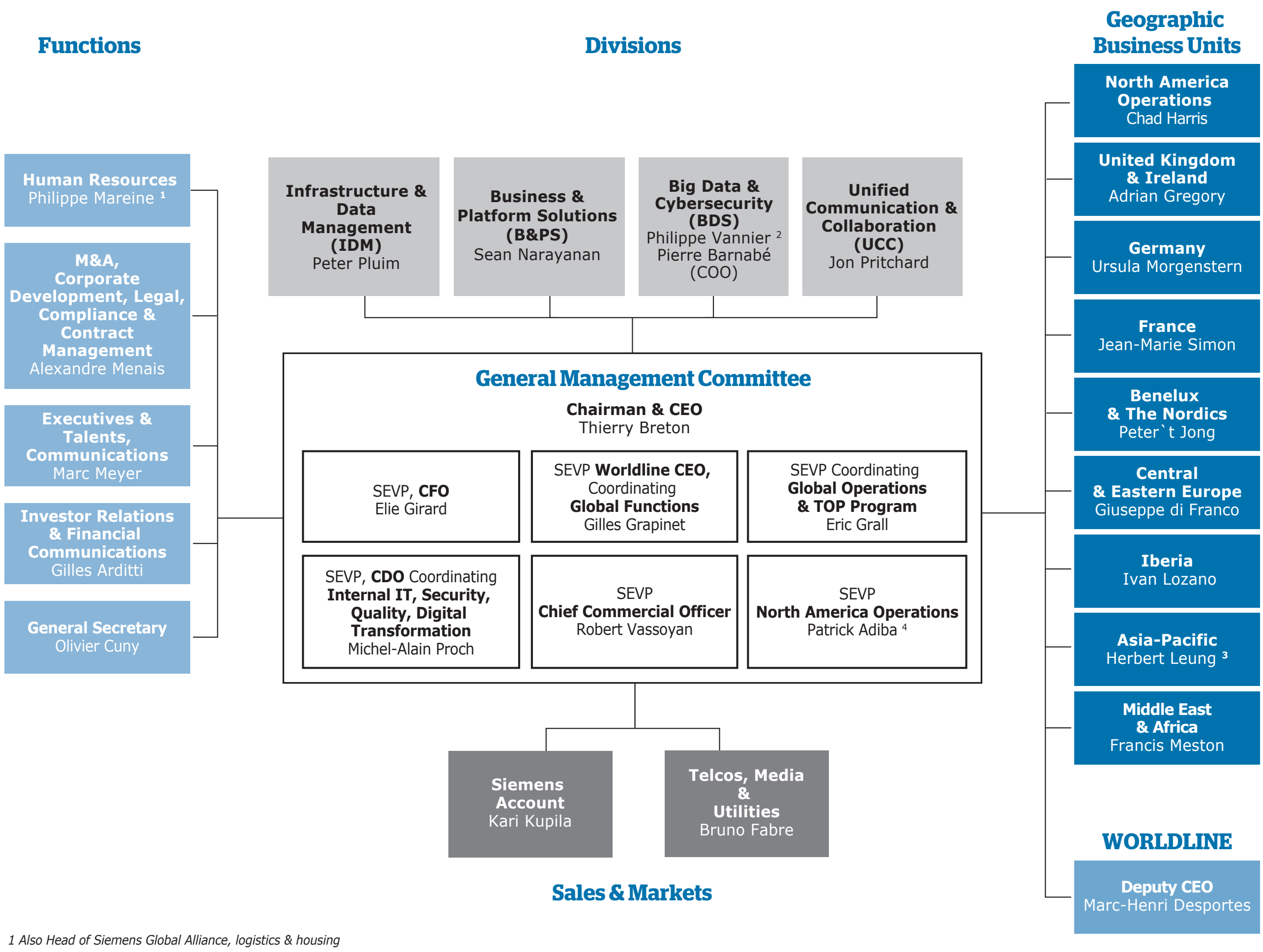
Patrick Adiba, Senior Executive Vice-President, CEO North America Operations and CEO Olympics & Major Events

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 management positions at Schlumberger's and in particular the position of Vice President and General Manager of the Mobility Solutions Division, then for six years, he was General Manager of the Latin America region. He joined Atos in 2004 to take responsibility for Major Events an entity within Atos that manages the Olympic and Paralympic Games and other Sport events. He then moved to Madrid to manage the Atos activities in Iberia. In 2013, he was entrusted with the Management of the Group Human Resources. In 2014 Patrick has been appointed Chief Commercial Officer. In the first quarter of 2018 Patrick has been given the management of the Atos North American Operations and continues to manage Major Events.

Robert Vassoyan, Senior Executive Vice-President, Chief Commercial Officer

Robert Vassoyan is a graduate of ESSEC business school. Robert career spanned from Renault, Compaq to HP where he served in various senior management positions in Sales and Marketing. In 2007, he joined Cisco and became in 2011 the President of Cisco France. From March 2018, Robert joins Atos as Senior Executive Vice President Chief Commercial Officer.

A.6.2.2 Organization chart



1 Also Head of Siemens Global Alliance, logistics & housing
2 CEO of Bull. Group Advisor for Technology
3 Including India local business
4 Also CEO Olympics & Major Events

** Group Executive Committee Member*

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:

Global Divisions

Peter Pluim, Head of Infrastructure & Data Management

Peter Pluim has been Head of the Infrastructure and Data management Division at Atos since April 3rd, 2017. Mr. Pluim served as the COO Global Operations for the Atos Infrastructure & Data Management Services Division (IDM), where he was globally responsible for Delivery, Service management, Risk-Audit and Compliancy as well as the management of all Transition & Transformation activity. Next to that, he managed directly the IDM leadership in the UK, France and Iberia. He joined Atos in this capacity in September 2012, coming from a sixteen-year career at IBM. At IBM, he held a multitude of roles across Sales, Delivery, Line / P&L management, Operations and Finance across different European Countries and the EMEA Headquarters. His most recent roles in IBM were those of Outsourcing Delivery Director for the Benelux and COO of Internet Security Systems EMEA, and IBM acquisition in 2006. Prior to his career at IBM, Peter started one of the first Internet Services Companies in the Netherlands in 1995. He teaches an IT Service management class yearly at the Grotius Post-Doctoral University for IT Lawyers. He holds a bachelor degree in Engineering.

Sean Narayanan, head of Business & Platform Solutions

Sean Narayanan has over 20 years experience in IT and management consulting across the world. He is currently EVP and Head of Business and Platform Solutions at Atos. Prior to Atos he was Chief Business Officer at digital company Liquidhub. He has also served as Chief Delivery Officer of iGATE (now CapGemini) and worked with Cognizant as Vice President and consulting firm Booz Allen Hamilton. Mr. Narayanan is a recognized expert on management and technology, a speaker at various seminars and conferences and has been widely quoted in the international media. Mr. Narayanan has a masters degree in regional and city planning from the University of Oklahoma and a bachelors degree in architecture from the Regional Engineering College, Trichy, India.

Philippe Vannier, Head of, Big Data & Cybersecurity, Group Advisor for 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 advises the Group in Big Data & Cybersecurity, as well as on technological subjects in the Group. He received the French Légion d'Honneur (Chevalier).

Pierre Barnabé, Chief Operating Officer Big Data & Cybersecurity

Pierre Barnabé is Chief Operating Officer of the Global Division Big Data & Security within the Group Atos, following the successful merger of Bull with Atos. He joined Bull in August 2013 as Chief Operating Officer. Previously, Pierre was General Manager of SFR Business team. He began his career in the venture capital department of Thalès. In 1998, he joined Alcatel Lucent with various successful sales positions (Vice President Sales France, Vice President Sales South Europe) before being appointed Chief Executive Officer of Alcatel Lucent France then Group Executive Vice President Human Resources & Transformation. Knight of the French National Order of Merit, Pierre Barnabé is graduated from NEOMA Business School and from CentraleSupélec.

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, since 2018, he is in charge of markets for North America geograpy. 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 years 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.

Ursula Morgenstern, Head of Germany

Ursula Morgenstern 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 and various practices. Before taking on the role as CEO of UK&I in 2012, she was Chief Operating Officer for UK&I in 2011. From July 2015 to Februaruy 2018, she was managing the Global Business & Platform Solutions division. Since February 2018, she is CEO of GBU germany (subject to the consent of the Supervisory Board, Ursula will be formaly appointed as Managing Director of Atos Information Technology in March 2018).

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.

Giuseppe Di Franco, Head of Central & Eastern Europe

Giuseppe Di Franco has more than 25 years of experience in the ICT sector. After several years in Business Consulting, with a wide international M&As and ICT Outsourcing experience, he has joined Siemens in the 2005 as Senior Vice President, assuming different roles as CEO and Director of the Region South West Europe for the Energy Industry. In the 2013, he has assumed the role of CEO of Atos Italy and Head of the Energy & Utilities Industry market at Atos Global level. Since February 2018 Giuseppe Di Franco is Atos Central & Eastern Europe CEO. Giuseppe Di Franco has a degree in Engineering Management achieved at the Politecnico di Milano, he is Alumnus Top Influencer of the University and board member of several ICT Italian associations.

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

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.

Group Functions

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 Director, 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 Director 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 Director, 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.

B

Atos positioning and strategy

B.1 Market trends

B.1.1 Digital transformation momentum accelerates

In line with previous Atos analysis, the digital transformation continues to drive fundamental business and organizational changes. Since the last decades, Digital has already profoundly transformed business and public services in all sectors. Today, the coming of age of four core technology waves is profoundly increasing the pace of digital disruptions, putting us on the verge of a fourth industrial revolution. Intelligent connectivity for billions of things is blurring the physical and the digital worlds, making our whole environment sensible, analyzable and actionable. New analytic & Artificial Intelligence technologies enable to make sense from the enormous volumes of generated data to drive prescriptive insight to action. Continuous progress of High-Performance Computing allows the real-time processing of these massive amounts of data into business processes. And new cloud-based digital infrastructures enable to provide the necessary computing capacities on demand, in a very agile and cost-effective way.

These fundamental advances put data and analytics at the heart of enterprise business. In this new world, Data becomes the living heart of business, at the core of knowledge, operations and value creation. The resulting digital shockwaves are deeply transforming our environments, from ways of working and living to business models. They bring both tremendous opportunities and risks for companies and public organizations. As a result, digital is now at the heart of enterprises strategies in all sectors, from Manufacturing to Retail, from Banks to Insurance, from Telecom to Utilities, from the Public sector to Healthcare.

The key question for each Executive Board: how to be a disrupter rather than being disrupted? How to position in the new value chains that are transformed by digital, and be in a central position in newly reshaped ecosystems? How to adapt business models, customer relations and operations to survive and thrive in this new economy? To answer these questions, 70% organizations have put in place Board-level digital strategies, and heavily invest in business technologies. To do so, they need digital partners that help them design, build and run the business technology platforms needed to win in the digital age. This fuels a huge technology and services market growth, notably around the 6 core business technology domains covered by Atos: hybrid cloud infrastructures, real time business process management, analytics and artificial intelligence, digital experience, security and payments.

B.1.2 A demand boost in hybrid cloud digital infrastructures

As the world is moving into the digital era, digital platforms are becoming more than ever the foundation of organizations' competitiveness, notably through new generation cloud-computing technologies. This drives a strong demand in consulting, integration and management of public cloud platforms, on providers such as AWS or Microsoft Azure, whose solutions are mostly mediated by integrators such as Atos, with 32% yearly market growth in infrastructures as a service. This also drives a very huge demand in cloudification of existing data centers and in the modernization of legacy systems, applying 'private cloud' technologies to applications that need to fully remain under enterprise control. Last but not least, it requires to consistently automate, manage and orchestrate these hybrid infrastructures, and to adapt and build the business applications with new generations' technologies such as DevOps and Microservices. There are all domains where Atos excels, and is recognized as a leader by industry analysts.

B.1.3 The rise of real time business processes

On these agile infrastructures, new technologies appear that enable to run business processes in a much simpler, faster way thanks to the combination of real time and unified data management solution. This transformation particularly impacts Enterprise Resource Planning (ERP) systems and related applications on which core process rely (Finance, Human Resources, Supply Chain Management…). The benefit for organizations: reduce process costs by up to 40%. The world leader in ERP, SAP, is particularly instrumental in these evolutions, with the decision to progressively move all its customers base on its real-time SAP HANA platform by 2025. This offers tremendous market opportunities on SAP services, on which Atos is particularly focused, by bringing an end-to-end, one-stop shop set of technologies and services that is unique on the market. In the same way, Atos is providing differentiated services to support customer's transformation pathways on other major enterprise software platforms such as Oracle or Microsoft.

B.1.4 The next big thing: Big Data and Artificial Intelligence

In tomorrow's interconnected digital, economies, Data will be the new oil. The ability to acquire and analyze data from trillions of things, billions of people and millions of organizations will make the difference for digital winners. At stake: improve customer experience, optimize operations, reinvent business models and foster trust & compliance, leveraging technologies such as prescriptive decision support, virtual assistants, knowledge engineering, smart machines and more. As a result, analytics is the most rapidly growing segment in Digital, with notably 40% yearly market growth in Artificial intelligence, and more than 50% of large organizations projecting to deploy High Performance Data Analytics solutions by 2020. This is a domain uniquely pioneered by Atos, which is bringing both a huge network of partners and a powerful set of analytic and cognitive IP solutions, encompassing unique Extreme Computing HPC technologies and pioneering research in Quantum computing. This is opening disruptive business opportunities in domains such as Utilities, Industry 4.0, Government, Autonomous Transports, Precision Medicine, Aerospace, Defense, and more.

B.1.5 The race to digitally engaging customers and employees

The growth of the digital economy is irreversibly changing the way people live, consume and work, transforming both customer and employee experience. The fast development of mobile, social networks and e-commerce is driving public and private organizations alike to seamlessly combine their physical and digital touchpoints to provide personalized, customer or citizen centric experiences. This also drives organizations to deploy next generation workplaces, leveraging the latest technologies in mobile devices, augmented reality, unified communication and collaboration, intelligent help & interaction centers, Artificial-Intelligence, robotics process automation…. Both represent a strong market demand where Atos capacity to address both customers and employees experience enables organizations to benefit from both an internal productivity boost and an improved customer or user engagement. This is a domain where Atos is recognized as a leader, both in digital workplace and in connected living and omnichannel commerce.

B.1.6 Trust at the heart of digital strategies

Digital brings in multiple opportunities for value creation. It also brings new risks, from fraudsters, "hacktivists", mafias and even hostile organizations and states. Cybercrime are already estimated to cost around $ 400 Bn per year and may exceed the $ 1 Bn mark by 2020. Due to improper security, industry analysts estimate that 60% of organizations will be victims of major breaches by 2020. This threatens not only business activities – notably in the most sensitive sectors such as Finance, health and government. It also threatens compliance: new regulations such as GDPR enforce strong obligation for the protection of customer data, with possible fines up to 4% revenue. Last but not least, breaches may even threaten human lives with the development of smart machines in Industry, Utilities, Transports, Defense…. As a result, security is more than ever on the top of customer preoccupations, and is moving to the Artificial Intelligence era. The perspective is that organizations will move from a reactive security approach to AI-powered prescriptive security, leveraging next generation security-as-a-service platforms to detect and block threats before they can have an impact. By combining unique Security with Big Data and Mission-Critical Systems expertize, Atos is among the world pioneers and the European leader of this fast growing market.

B.1.7 The emergence of a cashless world

The trend towards non-cash payment instruments continues both in the retail and wholesale payment sector, as the result of a complex interaction between consumer's financial institutions, merchants and regulation authorities. 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. This will be accelerated by new technologies including next generation payment terminals, mobile payments, blockchains, etc. This drives a strong demand for the redesign or extension of existing payment and transaction systems, with the development of integrated end-to-end platforms that cover the full range of payment processing and related functions. These integrated new platforms are enabling payment service providers to offer more and improved services at lower costs and across more geography. This is a place in which Atos is a pioneer and the European leader with its Worldline subsidiary, supporting both merchants and financial institutions in this strategic transformation.

B.2 Market sizing and competitive landscape

[GRI 102-6] [G 102-10]

B.2.1 Overall market size

Overall IT spending is estimated to be worth $ 3.98 trillion worldwide, with a 3.4% growth in constant currency in 2017. Due to the strong market transformation towards hybrid Cloud, the digitization of business process, the rise of next generation analytics and the race to omnichannel engagement for customer and employees, key segments have contrasting growth rates:

- communications services (consumer fixed services, consumer mobile services, enterprise fixed services and enterprise mobile services) represent today 40.1% of the IT market. In 2017, these services have seen an overall modest growth of 0.7% to $ 1.59 trillion at constant dollars;
- devices (PCs and tablets, mobile phones, and printers) represent 19.2% of the market, or $ 763 billion. This segment showed a 5.3% growth rate in 2017;
- enterprise software (including security products) represents 9.8% of the market, or $ 392 billion. It showed a strong growth of 8.5% in 2017, with progress notably nurtured by the development of analytics, data management, Customer Relationship management (CRM) and Supply Chain management (SCM) software solutions;
- data center systems and servers represent 4.9% of the market, at $ 198 billion. They experienced a solid growth of 4.2% in 2017. User demand is expected to stay robust thanks to the development of Hybrid Cloud, despite the disruptive forces of software-defined infrastructure and public cloud delivery. High-end servers for High Performance Computing – in which Atos is positioned with its Bull sequana offering - continues to outperform the overall segment growth, with 6% CAGR over the next 5 years;
- IT services (Business IT services and IT product support) represent 26% of the market, or $ 1,037 trillion. It grew by 4.2% in 2017. Of this sum, hardware and software support activities represent less than $ 100 billion. Therefore, the size of the IT services market where Atos is primarily active is sized at more than $ 900 billion, of which, around 29.2% or $ 303 billion is in Europe, which despite Atos' rapid expansion in the US remains the Group's principal field of play. Through 2021, the IT services market is expected to grow at 4.5%, with a special push in IT outsourcing (6.2%) and business technology consulting (6.9%). This offers solid growth perspectives for the Group.

Overall, IT spending results vary greatly by region. The largest region remains Americas with $ 1.556 trillion and a 3.6% growth rate in 2017. Asia experienced in 2017 a faster 4.3% growth, at $ 1.266 trillion. With $ 882 billion in overall IT expenses, Europe grew at 2.2% in 2017. With a $ 279 billion market, the rest of the world experienced a 2.4% growth last year.

When looking only at IT services, the segment on which Atos is primarily positioned Americas and Europe are by far the two leading markets today:

2017 IT Services spend and growth	(in $ billion)	2017 growth
America (Canada, USA, and Latin America)	476.3	+5.2%
Europe	303.4	+3.2%
Rest of the World	257.9	+3.6%
TOTAL	**1,037.5**	**+4.3%**

Source: Gartner for IT Services in constant currency (Constant 2017 Dollars).

The combination of Americas and Europe therefore continue to represent the very largest share of the IT services market worldwide, even if countries such as China and India – yet with limited local markets – experience substantial CAGR of 11.6% and 12.6% over the 2016-2021 timeframe.

B.2.2 Competitive landscape and new expected position of Atos

Looking at the 2017 pure IT services market, Atos is ranked number 8 in the world, is a significant and growing player in the US, and is the second largest IT business Services company in Europe with a market share of around 3%. 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, Accenture, Capgemini, CGI, DXC and some local champions with strong regional footprint like 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).

2017, major industry analyst firms have assessed Atos capabilities and positioned Atos as follow:

- global leader in IT outsourcing;
- global leader in private cloud and European leader in hybrid cloud;
- global leader in SAP HANA and European leader in SAP services;
- visionary provider in analytics;
- global leader in IoT services;
- global leader in digital workplace;
- major player and visionary in Unified Communications & Collaboration;
- major player and European leader in security.

B.2.3 Market size and Atos market share in Europe

Atos is well positioned on the largest and most promising segments of the european IT services market: IT Outsourcing, where Atos is a leader ($ 105 billion, +5.6%/year), business technology consulting ($ 59 billion, +6.6%/ year), implementation ($ 75 billion, +2.1%/year), and BPO ($ 38 billion, +3.1%/ year). Atos is not present in the last segment, support, representing only $ 25 billion and decreasing by 1% per year.

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

The figures are based on Gartner's 2017 estimates on yearly external IT spending for Business Professional Services.

	Market size			Atos	
(in $ billion)	2017	Weight	Growth vs. 2016	2017	Market share
United Kingdom & Ireland	95	33%	3.1%	1.8	1.9%
Germany	50	16%	3.3%	2.3	4.6%
France	38	12%	3.2%	2.0	5.2%
Benelux & The Nordics	56	18%	2.5%	1.4	2.5%
Rest of Europe	64	21%	4.0%	2.0	3.1%
Europe	**303**	**100%**		**9.5**	**3.1%**

Based on Gartner Service line Forecast 2017 Q4 (Consulting, Implementation, IT Outsourcing).

In addition, 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 has reached $ 99.3 billions in 2017, an increase of +8.3% over 2016, according to Gartner. The increase in spending is being driven by government initiatives, increased legislation such as GDPR in Europe and high-profile data breaches. IT outsourcing, and identity and access management present the biggest growth opportunities for technology providers, both domains in which Atos is a European leader;
- Atos is the leading European player in the High-Performance Computing (HPC) technology market. According to hyperion research, the HPC market, which including servers, storage, services, software, networks and other products will reach $ 30.1 billion in 2021, with 6.2% CAGR by that date. The largest HPC markets are government, defense and academic sector, followed by Manufacturing, BioScience and Weather forecasting. With its Bull sequana offering, Atos is very well positioned on the high-end part of this market that will be further boosted by massive computing power needs linked to the development of Artificial Intelligence. The domain also offers promising synergies with 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: *Atos Canopy Orchestrated Hybrid Cloud*, *Atos Digital Workplace*, *SAP HANA by Atos*, 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: c. 11.5% of revenue in 2019;
- free cash flow: an operating margin conversion rate to free cash flow at circa 65% in 2019

The figures above are taking into account IFRS 15 and 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, 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 (IDM), 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, IDM 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.

In 2017, Infrastructure & Data Management revenue achieved € 7,144 million, + 0.9% organic growth already in line with the objective of the 3-year plan, with a significant growth in strategic areas such as Cloud Services and Technology Transformation Services. Indeed, growth accelerated with new Digital Transformation Factory contracts won as the Division continued to successfully transform the IT landscape of its main clients and to roll out automation and robotization. In particular, *Canopy Orchestrated Hybrid Cloud* showed a strong traction while Digital Workplace and *SAP HANA* were also boosted by contracts in Asia Pacific and Central & Eastern Europe, respectively. In 2017, profitability improved by +90 basis points, resulting from the migration to cloud based infrastructures and highly automated/robotized delivery in a further industrialized setup.

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

In Business & Platform Solutions (B&PS), 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.

In 2017, B&PS has laid the foundation to deliver its 3-year plan targets. Indeed, the Division is quickly closing the gap with the 3% to 4% organic growth 2017-2019 CAGR target with +2.5% in 2017 compared to +0.8% in 2016. Growth acceleration mainly came from the success of the Atos Digital Transformation Factory and in particular *Atos Codex*, *SAP HANA by Atos*, and *Atos Digital Workplace* to a lesser extent. In 2017, profitability improved by +110 basis points thanks to revenue growth, implementation of the Application Managements Services transformation program, and the successful workforce management. In the meantime, the Division continued to invest in innovation, mostly for *Atos Codex* and *SAP HANA by Atos* offerings.

B.3.3 Answer the holistic digital transformation need of large organizations though the roll-out of end-to-end offerings of the Atos Digital Transformation Factory

[A12]

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 33 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.

In 2017 Atos Digital Transformation Factory represented 23% of 2017 revenue (vs. 13% in 2016) benefitting from the strong demand of large organizations implementing their digital transformation.

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, a 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 € 210 m to € 230 m 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.

In 2017, Worldline acquired 3 targeted companies in the payment area, as part of its multi-year consolidation ambition in payments, particularly, Digital River in online payments, FDB opening ups the Baltic and Nordic regions, and MRL Posnet enhancing Worldline's footprint in India.

Thanks to the solid execution of its organic growth plan, the success of the equensWorldline integration, and the very satisfactory start of the integration of our last 3 acquisitions, Worldline had a very good year in 2017, with results in line or above its objectives. 2017 was also a year of transformation that has enabled the reinforcement of Worldline's offers to support key payment market trends.

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%.

In 2017, the Division recorded a double digit organic growth pulled by the extension of its markets both in terms of industries served and geographies and thanks to the increasing demand in Cybersecurity services to face more and more sophisticated cyberattacks. The activity in High Performance Computing remained strong in order to support the growing Big Data processing needs of Atos' clients. Operating margin in 2017 was broadly stable compared to 2016 and the Division continued to invest in innovative solutions and products as well as extending its international footprint in geographies such as North America, Middle East & Africa, and Germany.

B.3.6 Maintain excellence in Human Resources and CSR

In order to realize its 3-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. The acquisition priorities can be summarized in 4 areas:

- acquisitions for Worldline in Merchant acquiring and in Financial processing, in continental Europe to penetrate new geographies, as it was done for Equens and for the acquisitions of First Data activities in the Baltics announced in July. Atos pursue this strategy to build at its own pace and to reinforce at the right price our pan European Payment Business through Worldline. Atos will also look at additional technologies. The acquisition of Digital River World Payments in Sweden is a good example as it provides a state of the art online payment platform. Cautiously but constantly, Atos is building the strongest payment company in Europe with banks and merchants as partners. Finally the Group looks at opportunities in growing markets such as India when at the end Atos considers the price as reasonable compared to business plan and costs synergies;
- then in IT Services in the US, to cross-sell system integration projects on our Infrastructure & Data Management customer base, or to increase the business in targeted verticals, as the Group did for example with several acquisitions in the Healthcare sector;
- third, acquisitions that should enhance our technology leap, for instance in Big Data & Cybersecurity;
- finally, and more generally, any acquisition in Infrastructure & Data Management enhancing shareholder value, as Atos did in the past, through a sizeable turn-around. This can be done either in Europe or in the US.

In 2017, the Group acquired several companies, totally in line with these strategic priorities. Indeed, Atos reinforced its footprint and technological digital capacities with the acquisition of Engage ESM and imaKumo in Cloud orchestration and automation, with zData in Big Data and AI, and with CVC in the secured communication networks and cybersecurity. In North America, Atos significantly increased its expertise in e-health with three simultaneous acquisitions to reinforce our consulting capacities. Finally, through Worldline, Atos acquired 3 targeted companies in the payment area, as part of our multi-year consolidation ambition in payments. Particularly, digital river in online payments, FDB opening ups the Baltic and Nordic regions, and MRL Posnet enhancing Worldline’s footprint in India.

C
Sales and delivery

C.1 Sales and business development approach

C.1.1 The Atos Digital Transformation Factory

[A12]

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 Codex*** to transform the data flowing through these processes into business outcomes;
- ***Atos Digital Workplace*** to allow collaborators and customers to benefit from information in the most easy and efficient way.

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, and 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 has accelerated its sales dynamic through new sales methodologies and salesforce CRM deployment.

C.2 Infrastructure & Data Management

With its, Infrastructure & Data Management Division (IDM), 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 the transformation of end-to-end and joined-up workplace, infrastructure, application, security and cloud services.

C.2.1 Data Centers & Managed Infrastructures

Atos Datacenters are the powerhouse behind its customer's digital transformation. They are housing the Group core infrastructure capabilities across the globe and spanning both traditional and digital services across the domains of cloud, workplace, applications, mainframe and Internet of Things environments. Spanning 5 continents in 31 countries, Atos has over 100 data centers including 8 cloud hubs providing Tier 1 levels of service quality and security for both traditional and digital services. IDM is able to move, migrate and transform customer workloads to the most appropriate environment depending on the business need.

The IDM global data center strategy is based on the 7 'C' key principles of Cloud, Carbon, Capacity, Continuity, Competitive, Cost and Cash. These principles ensure that IDM' data centers continue to provide its customers with the right solutions with the right capacity, at the right time, in the right place and for the right price.

In accordance with this strategy, Atos monitor and drive major programmes for data center consolidation, renewal and acquisition. In the last 6 years Atos has migrated and closed 61 data centers, opened 30, extended 10, upgraded 3, and integrated 30 data centers from acquisitions (McGraw Hill, Bull, Xerox, Anthelio and Arvato.). Based on the current footprint, Atos intends until 2021 to migrate and close 22 further DCs, open additionally 2 new state of the art DCs, upgrade 3 and extend a further 6 existing or future new ones.

For new datacenters, Atos had a clear guidance governed by economies of scale, and specifically all new datacenters shall apply to the TIA 942 Rated 3 standard, provide a power density of average 1.5 kW/sqm with the possibility of high density zones, have a PUE around or below 1.2 if new built and guarantee high security standards - VESDA, automatic fire extinguishing, access control, 24/7 monitoring and CCTV.

Innovation in environmentally responsible DC services is central to Atos datacenter planning and strategy and has helped maintain its green leadership position.

C.2.2 Atos Canopy Orchestrated Hybrid Cloud

Hybrid Cloud services are a key enabler for the digitalization at enterprise customers. This past years revealed a growing trend within IDM 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 its customer's applications and infrastructures.

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

- Hybrid Cloud computing allows enterprises to improve their operational efficiency through the implementation of an IT infrastructure that delivers significant improvements in agility and flexibility on and off premise, 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;
- Hybrid 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;
- Hybrid Cloud computing drives the rapid emergence of new, web-native application landscapes that can deploy, scale and evolve very quickly so that IDM 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 hybrid cloud end-to-end approach, IDM 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 delivering business agility without compromising security.

Atos hybrid cloud services are deployed with private and virtual private cloud solutions (Atos Digital Private Cloud) forming the foundation of a hybrid cloud that may be enriched with third party public cloud infrastructure environments. This is being achieved based on industry leading ServiceNow business orchestration and IT Service management.

In 2017 Atos launched and further eppanded in Atos Managed Public Cloud which integrates market leading public clouds (available for Amazon Web Services and Microsoft Azure) 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. As well leveraging its strong eco system of strategic partners Atos launched Hybrid Azure Cloud offering a seamless hybrid approach in placement of applications on Public or Private based on security requirements of the enterprise customers.

To accommodate the world of multi cloud / hybrid IT services and helping customers in transforming workloads, Atos has developed an industrialized "cloudification" approach to move applications from legacy to the different cloud platforms fitting the nature of the application. This is leveraging state of the art Platform as a Service technologies and respective automation tools. Cloudification execution is being performed out of the newly ramped up Atos Cloudification Factory in India.

Atos 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 in line to the 2019 cloud growth ambition. Atos has continuously gained recognition as a Leader from leading analyst firms.

In 2018 IDM will continue to further leverage on software defined and hybrid services capabilities to deliver the digital platform for enterprises and to invest into its cloudification factory to support the customers in their digital transformation journey.

C.2.3 Digital Workplace and Help & Interaction Center

Atos Digital Workplace Services provides modular and innovative end-user services to enable the new way of working and support the digital transformation. They are based on extensive, proven experience in all industry sectors. Today, Atos managed 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 34 million tickets annually in 38 languages. This is combined with onsite support capability in 118 countries, giving IDM a true global workplace services footprint. The global delivery organization has a total headcount of more than 10,000 staff.

The business requirement to empower end-users to be more productive and more agile has resulted in a significant interest in Digital Workplace services. It is a must in every major workplace transformation program today. Through its *Digital Workplace offering* Atos can deliver services that meet the changing end-user and business needs, within enterprise clients today. Key solutions such as Unified Endpoint management, combined with application management, virtual desktops, and intelligent collaboration solutions deliver a different way of working, with the functionality and security required anytime, anywhere and access from any device.

Atos strong focus on customer care and the total end-user experience including omni-channel support with self-help, virtual assistant, chat, and self-healing solutions, has a direct impact on the user's experience. Innovation is reshaping user support with new technology such as artificial intelligence or analytics enhancing the support experience and reducing costs. In line with its vision for the future, Atos is delivering proactive support, relying on end-to-end service intelligence, in order to improve the quality of the 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. Atos has a key focus to improve user productivity and experience in order to deliver value to the business through technology, embedding wearables, IoT, cognitive computing and analytics.

The transformation toward a Digital Workplace includes moving to hybrid delivery models and offering "workplace as a service" business models. 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 like Atos Circuit.

Circuit improves teamwork by bringing voice, video, chat, screen share, file sharing and storage, into one app. Circuit provides a better way to work and a far more efficient and effective way to collaborate, compared to today's silo's applications.

Unify – Atos Collaboration Solutions division is one of the world's leading brands in enterprise communication and collaboration software. A core part of the Atos digital workplace, Atos Unify solutions enable customers from 5 to 500,000 employees to transform the way that they communicate and collaborate by providing an engaging, natural user experience that embodies the expectations of digital natives, encourages rapid adoption and drives sustained productivity.

The same seamless user experience can be delivered as-a-service on premise, in the cloud or in hybrid configurations, and to any device, resulting in increased employee and customer satisfaction and enhanced business performance. Unify represents a strong heritage of technology innovation and reliability which, when combined with the world-class services of Atos and its network of delivery partners, sets the standard for a rich communications and collaboration experience that empowers teams to deliver extraordinary results.

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, more than 400 service partners) 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 supporting more than 40 million users.

C.2.4 Application Operations capabilities

IDM services includes the full stack of end to end services up to and including application operations which offers a compelling alternative to in-house application support due to the breadth and scale of Atos applications capability and wide scope of options available. Spanning services such as database services, middleware, application technical management, web services, SAP and Oracle application services, Atos has strong competencies and demonstrable expertise in these areas. B&PS complements IDM Application Operations and Application Technical management by providing Application Functional management, ensuring customers receive a complete end to end service for Applications from Atos.

IDM provides SAP/SAP HANA hosting services which have been considerably enhanced this year with the launch of *Atos Canopy Orchestrated Hybrid Cloud* for SAP. A new service which incorporates private cloud platforms on our own high-performance Atos Bullion hardware, and also deployable on public cloud platform for Azure, followed by AWS early 2018. Bullion hardware is a key differentiator for Atos being one of the most scalable SAP HANA hardware platforms in the industry.

For Oracle application operations, Atos is a European market leader with over 100+ Oracle Engineered Systems sold to customers across 9 countries. Atos continues to develop its very successful Extreme Performance Computing (Oracle) environment by with improvements to its unique VOC-Hotel concept (Virtual Oracle Computing platform). Atos has launched in 2017 a service for the Oracles satellite of their public cloud, the Oracle Cloud Machine can run in an Atos or a customer datacenter. The Cloud Machine delivers a scalable DBaaS (Database as a service) concept which IDM can resell as a one-stop-shop to its customers.

In 2017, Atos has developed a new SQL Database as a Service which delivers predictable scalability, business continuity and data protection – all with nearly no administration, enabling customers to focus on rapid application development and accelerate time to market with a full stack 'end-to-end service' that will be available in early 2018.

Finally, to ensure applications are performing at the level of user expectations, Atos continues to eXpand its Total Application performance management (TAPM) services with a new service launched in 2017 moving its Application Performance management service to SaaS mode. TAPM Digital Performance is a new application performance monitoring solution powered by the AI-Driven Dynatrace platform. Built for hyper-scale cloud environments the Dynatrace platform provides end-to-end monitoring of cloud workloads and customer business applications across multiple cloud and hybrid landscapes.

C.2.5 Networks

IDM Network services provide customers with a variety of essential fully managed connectivity services to meet its customer's digital transformational challenges. The services are fundamental to all its strategic offerings including private and public clouds, digital workplace, and IoT. The connectivity is fundamental to enable all these services to operate with speed and flexibility required by its customers.

New network services in 2017 include the introduction of IDM Digital Connect suite of services. As part of it, the Cloud WAN Fabric service, based on technology from Viptela (recently acquired by Cisco) is the first service to be launched in the suite and is improving for customers the way to connect to services. The evolution of software defined technologies has enabled the Cloud WAN fabric service to abstract and virtualize the WAN resulting in the ability to make changes faster, provide greater visibility into network traffic and report performance and problems. In addition, it increases operational efficiency and significantly reduces costs by enabling a hybrid approach to provisioning connectivity.

Atos operational capabilities in networking cover 3 globally operated delivery centers complemented by 9 local production centers which manage the operations of DC network infrastructure in over 100 data center locations. Atos has over 2,500 network experts supporting over 1.6 million LAN ports, 55,000 switches and over 450,000 voice ports worldwide.

C.2.6 Technology Transformation Services

IDM' comprehensive Technology Transformation Services (TTS) portfolio helps clients embrace business reinvention through digital transformation. TTS new solutions are architecting, provisioning, building and integrating a future state technology eco-system which supports IDM clients' agility and sustainability for IT and business growth. IDM 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 clients 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. TTS services and solutions span the IT spectrum from the workplace to the data center and from the data center to the cloud:

- **workplace transformation services** provide the cloud, fixed and mobile solutions for a Digital Workplace, with the latest innovation in delivering end-user compute environments, native cloud office services, and unified communications for consumption on any device at any time for an enhanced user experience.
- **Data Center transformation services** provide public cloud solutions for AWS and Microsoft Azure, an array of private cloud solutions and the integration of both private and public cloud services, to provide a full spectrum transformation service to enable a hybrid IT backbone for your business.
- a**pplication platforming services** provides application migration and platform services with Apprenda, CloudFoundry and other technologies for secure delivery of business and critical apps in public and private cloud environments. Application Platforming also provides extensive application testing services to ensure a safe migration and ongoing change environment for its customer critical applications in the cloud.
- **service integration** provides the fundamental implementation and orchestration of IT management and Enterprise Services, using the ServiceNow solutions suite to enable seamless integration and automation of traditional IT and business services, for enterprise management. Customer Following the acquisition of the ServiceNow Gold Partners, Engage ESM and imaKumo, we have created a global center of excellence, providing a true 24x7 "follow the sun" consulting and operational support capability as a key service for global customers.
- **journey analytics** provides the journey science, data consolidation, analytics services and pin-point insights, using ClickFox technology, to optimize Business & IT Operations for improved customer experience, reduced cost of service and increased revenues.

Together with the strong ecosystem of partners, TTS core offers provide the infrastructure technology, and the optional services to maintain, monitor, and proactively manage the infrastructure to ensure transformed environments are operational and available 24x7.

IDM 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 especially in Business Transformation Services. The combined direct headcount represents circa 3,500 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 IDM manages the full end-to-end service, deploying digital technology, transformation and employees with specific technical and industry expertise. This enables IDM 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. Atos' growing focus and expertise in customer experience is also providing Atos' clients and their customers with a unique understanding of the transformation required and its huge impact on service and quality.

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.2.8 Automation

Autonomics is prevalent in all areas of IDM portfolio and the key evolutionary improvement across orchestrated automation, robotic process automation, intelligent automation, cognitive automation and includes true artificial intelligence. In parallel with standardizing tools globally, staff up-skilling becomes essential to prepare the workforce for the future and to deliver the more traditional productivity savings.

The results have already demonstrated up to 30% savings in 1st generation structured automation for the resolution of tickets in 2016, and up to 70% average automatic ticket resolution in unstructured pattern 2nd generation automation. This has progressed onto unstructured no pattern or 3rd generation automation for which Atos has already completed production pilots to extract further improvements.

The success of automation and up-skilling of IDM staff has contributed to SLA fulfillment continuing to improve year on year (+300 bps over 4 years) alongside CSAT and NPS measures.

C.3 Business & Platform Solutions

In today's digital world, the place where technology and business come together is the platform. The Business & Platform Solutions Division (B&PS) works with its clients to enable them to make the best out of their digital transformation. B&PS provides the business and platform layer of the Atos Digital Transformation Factory and supports Atos clients in their migration from classical application to the digital world.

C.3.1 Digital Transformation reshaping B&PS market

The scale of the changes brought by digitalization across all industries is radically reshaping the way our customers consume technology and services. Our customers are shifting their priorities and budgets to support digital initiatives and implement business-driven technologies.

Atos 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 segment is experiencing significant transformation, as cloud technologies bring agility to traditional application management models.

B&PS is to be the partner of choice and trusted advisor of Atos clients to address these objectives. In 2017 the Division has reshaped its portfolio of offering to fully match the Atos Digital Transformation Factory, putting digital solutions enablement at the top of its priorities. In doing so, B&PS has fully leveraged the Centers of Excellence that it put in place in 2016, which lead the incubation, development, and delivery of our key global digital offerings.

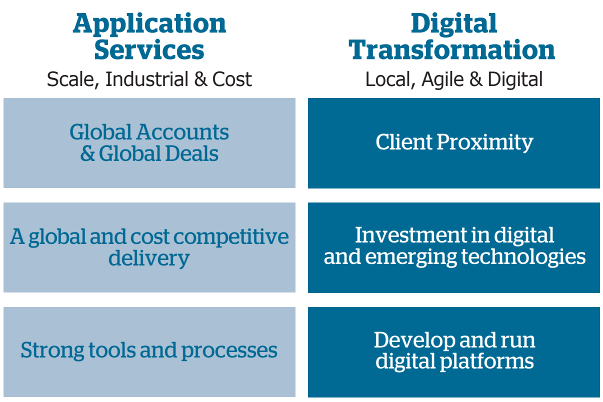
In this context, B&PS entered in 2017 in significant digitalization projects with Atos customers such as:

- being a partner of choice of a large consumer packaged goods company to deliver the evolutions of customer engagement system with a full cloud deployment over Microsoft Azure;
- providing full automation and tracking of gas delivery on more than 5,000 gas pumps based on Internet of Things (IoT) technologies to the largest oil provider in India;
- helping an Austria-based building equipment company to totally rethink their distribution channels and to reach a much wider customer audience by providing an innovative mobile application fully connected to its SAP back-office.

At the same time, B&PS continue to support Atos' customers with their applications landscape. As an example, in 2017 Atos entered into a large-scale agreement with a leader in consumer financing in the automotive sector for managing and modernizing their application portfolio, delivering enhanced agility and industrial excellence.

C.3.2 B&PS organization matching customer needs

As explained above, the market in which B&PS operates is defined alongside three types of services: Application and Digital Transformation Services, and Atos Consulting. Application Services focus on scale, industrial delivery and cost, while the digital transformation business requires a local and agile workforce with digital skills and expertise.



C.3.2.1 Application Transformation Services

The focus of application transformation services is on service transformation, operational excellence and efficiencies. The Division manages end-to-end services, including management of infrastructure and 3rd parties and commit to business outcomes. Global factories guarantee consistency and standardization and cost efficiencies. The Division provides the vertical expertise to define feasible transformation roadmaps and masters all key technologies and can rapidly scale up technical skills around the globe. And Atos is the experts in using new methodologies (e.g. DevOps) and tools (AI & RPA) to improve time to market, quality and costs.

For Application Transformation Services, B&PS has aligned all delivery units such as application development, testing and maintenance together to focus on consistent, industrial and cost competitive delivery at a global scale. This supports the delivery of high quality services across all regions to our global clients and ensures cost competitiveness on global deals.

Our Enterprise Platform Solutions practice helps customers to integrate multiple platforms and products (like SAP, Oracle & Microsoft) into a single business solution.

Our global delivery centers India, Poland and Bulgaria supported by our regional delivery centers provide our customers with an E2E-network of providing the highest business value at the most cost efficient model with a uniform process.

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 B&PS:

- leading the industrialization of processes to drive the margin growth: in January, the Division started-off our B&PS Industrialization program named– RISE across all Geographies;
- building expertise to support B&PS global delivery: Four centers of excellence are being set up for cloud, SAP HANA, digital workplace and customer experience with already a few hundred people.

In addition, to reach the above mentioned goals, the Division has also continued in building its Automation capabilities and has deployed automation in over 100 B&PS customers of whom 25 are within Atos TOP Strategic Markets led customers. To improve automation capabilities, Atos has built its Intelligent Automation platform (AIAP) on state of the art technologies leveraging both open source and *Codex*. This AIAP platform has be rolled-out in Q4 2017.

C.3.2.2 Digital Transformation Services

In this area, B&PS is exploiting its proximity to its clients as 15,000 staff work close to them, leveraging investment into digital technologies, reskilling programs and digital platforms and solutions such as the Atos Digital Transformation Factory.

The B&PS Digital offering proposes an end-to-end offering covering the entire digital ecosystem, from consulting services to full digital transformation, addressing business areas such as digital commerce, digital integration, cloud solutions and services and also analytics and IoT through *Atos Codex*, Atos fully integrated and cross market end-to-end analytics solution. The Atos Digital offering provides 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 of the digital transformation for Atos customers:

- increasingly connected solutions that are specific to the client and the market they operate in;
- improved business efficiency through digitalization of processes;
- customer and business insights through the IoT and *Atos Codex* 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.

C.3.2.3 Atos Consulting

Atos Consulting is an integral part of B&PS and its role is to help clients deliver measurable business value through the smart application of business technology. The consulting unit offers a range of cost effective transformation and innovative solutions which support clients on their digital transformation journey. The unit combines its depth of knowledge in business and technology areas to deliver industry specific solutions - especially for the public, healthcare, manufacturing, retail and transport sectors.

Atos consulting offerings is managed in five global practices:

- Digital Transformation which focuses on helping clients to move forward their digital business agenda by, amongst others, advise how they digitally engage with customers, improve collaboration, and apply data analytics to derive business insights;
- Digital Technology Unit which works in conjunction with the other practices to define a digital technology strategy and show value quickly through proof of concepts;
- IT Strategy & Transformation, supporting the CIO and CTO in the transformation of their organizations by optimizing the IT landscape, leveraging cloud-based solutions, and introducing agile ways of application development;
- 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 to improve performance through operational excellence.

C.3.3 Key changes that will allow for margin uplift

Atos B&PS is rolling out its transformation program. The program continues to focus on increasing economies of scale to boost efficiency & competitiveness and expended its scope to develop further reskilling and build the workforce of the future.

C.3.3.1 Operating model changes

Changes are led by the transformation of the governance from a federated to a centralized global approach. The new B&PS organization and way of working have been implemented in all the geographies of the Group since the beginning of 2017. The key changes of the model are the following:

- the accountability of the strategic accounts has been transitioned from a highly distributed model to a single team with full accountability on delivery, customer satisfaction and account management;
- global practices have been put in place to enforce global management of all the resource availability and demand. 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 workplace. In line with the change in accountability, the leadership of application services will also start shifting to India. Plans are in process to have customer experience centers in Bangalore & Pune to demonstrate the digital transformation offerings;
- global deal solution is known leading the architecture and set up of all significant opportunities and is able to upon Atos experts worldwide;
- R&D and product development has been centralized to be management global in order to improve the efficiency of B&PS investment and speed up the time to market in the ever-changing technology landscape.

Along with the structural changes in operating & governance model, B&PS continues to drive industrialization initiatives. These initiatives aim at improving the margin to make B&PS more competitive, but also focus on delivering the best services at top quality to our clients and freeing up staff to reskill them into becoming actors of the Digital Transformation.

B&PS has main significant progress in roll-out of the 6 key levers of the industrialization initiatives 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.

C.3.3.2 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 been segmented in three categories:

- **Strategic International** private and public sector clients like Siemens, Nokia, Xerox and European Union are global and expect B&PS to bring a global approach and deliver industrialized work. Atos B&PS is fostering the implementation of such focused approach across Atos growth accounts, selecting those delivering the highest potential of profitable growth; this set of accounts mainly along with the North America and UK private Sector customers, will be led end to end from the Global Delivery Centers based in India and Poland and are driving end-to end-solutions, industrialization and margin improvement;
- **large local and public sector accounts** in Europe have potential for offshoring and can benefit from industrialization best practices. They are beneficiating from the implementation of Atos B&PS global process embedding automation and better use of own B&PS internal capability;
- **local accounts** require client proximity which is boosted by B&PS' onshore capabilities. For this type of customer, B&PS focused mainly on staffing and delivering flexible professional services.

C.3.3.3 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.

C.4 Big Data & Cybersecurity

Big Data & Cybersecurity (BDS) Division gathers the Big Data, Security and Mission-Critical Systems expertise developed in house. 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, notably through the development of "smart technologies" and the Internet of Things.

The Division is structured in 3 complementary businesses: Enterprise analytic platforms ("Big Data"), Cybersecurity included Services and Products, and Defense & Homeland Security ("Critical Systems"). It relies on BDS sales forces, market footprint and partners. BDS also works closely with other Atos Divisions, to bring its specific solutions, notably for Atos' four growth pillars: The *Atos Canopy 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.

C.4.1 Big Data: from the value of the data to the power of Artificial Intelligence

BDS 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 (IoT) and cognitive analytics. These domains represent a strategic, and very high growth market. By providing high-performance infrastructures and platforms for real time computing and advanced analytics, BDS offerings are at the heart of Atos Codex innovation and strongly contribute as well to *Atos Orchestrated Hybrid Cloud*, *SAP HANA by Atos*, and *Atos 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, 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 and compliance, in all verticals.
- **High-performance computing and high-end platforms:** As one of the main player in High Performance Computing (HPC), BDS is the designer, maker and integrator of numerous of the most powerful supercomputers worldwide. In 2017, the Division has launched in Europe a very large range of leading exascale-class supercomputers & servers, Bull sequana Series (X, S & M). 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 & Oracle environment 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. As a strong signal of such top class technology, 3 world class companies signed with Atos a reselling agreement: Cisco, Dell-EMC & Hitachi Vantara.
- **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. The new Generation of servers will be sold under the name Bull sequana M Series.

C.4.2 Cybersecurity

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 has been split into 2 activities, Services & Products.

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.4.2.1 Cybersecurity services: the expertise of business technologists to build ongoing up to date extreme security

The security services activity is split in two different activities:

- **security advisor:** 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. For 2017, European Atos' clients are structured by the requirements of the general data protection regulation (GDPR) for which the Division built a dedicated offerings to fulfill the needs and support our clients for the GDPR journey;
- **integration services:** To face the increasing number of ever more sophisticated cyberattacks, (such as ransomware, DDos, botnet, Advanced Persistent Threats), customers require constant and efficient security solutions so that they can remain focused on their core business. In 2017, BDS launched of our new prescriptive Security Operations Center (SOC). Combined with Atos Big Data analytics capabilities and powered by bullion servers, the new security solution makes possible for customers to predict security threats before they even occur. Detection and neutralization time is improved significantly compared to existing solutions. The Atos Data Lake Appliance powered by Bullion and Atos research in Artificial Intelligence is at the heart of what makes our Prescriptive SOC unique.

C.4.2.2 Cybersecurity products: the niche best of the art technology for extreme security

The cybersecurity products global business line includes three different activities:

- **Identity Governance & management Software:** BDS is recognized as the major European player in Identity Governance and management (IGA: directory, user provisioning, access control…) by industry analysts such as Gartner and Kuppingercole with notably its Evidian offerings. This high growth strategic domain enables organizations to manage their employees and customers with à high level of protection, compliance and trust. In 2017, BDS launched Evidian Enterprise Single Sign-On as-a-Service (E-SSO aaS). This is the only solution on the market that enables users to access their applications, without the need to enter passwords, on both Cloud-based and on-premises applications;
- **Data Security Products:** to reduce the risk of cyberattacks**,** BDS offers comprehensive data encryption solutions, to protect sensitive data and effectively manage data security relying on Bull Trustway range of products. This powerful platform enables businesses to protect, securely manage and migrate sensitive data wherever it resides, on-premises or in virtual, public, private or hybrid Cloud environments. In 2017, BDS launched a new solution combining Trustway Hardware Security Module (HSM) with a 'Gemalto Software Inside' Data Protection suite to provide clients with a complete end-to-end and interoperable data encryption solution;
- **IoT Security Solutions:** The Internet of Things (IoT) is leading the way for a digital transformation in all sectors: SmartCity, SmartGrid, SmartHealth, SmartFactory, SmartCar…In this complex context, BDS with its BullHorus solutions provides trust services of the Internet of Everything (IoE) and ensures the safety of the IoT on every level. Our Digital Identities offer guarantees that exchanges of Data are totally protected, by enabling applications to integrate authentication, non-repudiation and confidentiality services. The Division also offers a comprehensive range of cyber security components including metapki (digital certificate lifecycle management) and vericert (digital certificate validation).

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

BDS 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**,** BDS 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 with BullHoox product range :

- secure communication is a growing industry concern and this solution enables individuals to communicate in a secure environment in compliance with current regulations. In that context, during the 2017 Mobile World Congress in Barcelona, BDS announced Hoox for business, the first solution to offer secured communications across the entire communication chain, including smartphone, applications, and infrastructure. Fully designed and maintained by BDS, Hoox for business ensures complete protection of confidential and strategic data for all professionals in the private and public sector;
- during summer 2017, BDS announced Hoox for mission which is the first 4G communication solution in the world to ensure a level of security, confidentiality and resilience that meets intervention forces (e.g.police and military forces) requirement, whilst still retaining the usability of a standard smartphone.

For Industrial solutions**,** BDS provides R&D services in electronic and micro-electronic equipment, hardware and software, and security engineering to customers as well as to other Atos Divisions. These activities also offer targeted solutions in aeronautics (avionics) and transports (communication systems, maritime navigation…).

This activity 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

R&D team is involved in major worldwide or European innovation programs in Digital Simulation and Big Data. In addition BDS, BDS 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 bodies 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 program in Quantum Computing leading to announce and sell the 1st most performing quantum simulator in the world in 2017. The simulator, named 'Atos Quantum Learning Machine' (Atos QLM), is powered by an ultra-compact supercomputer and a universal programming language. Available in 5 power configurations (30 to 40 Qubits) to cover the needs of different organizations, Atos QLM enables researchers, students and engineers to develop and test today the quantum applications and algorithms of tomorrow.

C.5 Worldline

Worldline, an Atos company, 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. A key player in the B2B2C market, Worldline has over 40 years of payment systems expertise.

It operates in 29 countries, throughout Europe and in several emerging markets in Latin America and Asia (where Worldline also has a leading position in India - which was reinforced in 2017 with the acquisition of MRL Posnet - as a payment processor and in Asia-Pacific in payment software licensing). Through its recent acquisitions, Worldline extended its worldwide presence in new geographic areas: the United-States, Brazil and Sweden with first Digital River World Payments; Lettenonie, Lithuania and Estonia with First Data Baltics.

The Worldline operates across the full extended payment services value chain, providing an extensive range of merchant acquiring, payment processing and business solutions services to financial institutions, merchants, corporations and government agencies. It offers a unique and flexible business model built around a global and growing portfolio.

The Group works closely with its clients to build and run outsourced services, typically under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenue over the life of the agreement based on business transaction volumes or transaction values. Worldline's strong culture of innovation allows it to help clients enhance their existing services and harness advances in technology to create new markets and services.

As at December 31, 2017 Worldline employed more than 9.400 staff worldwide and generated total revenues of € 1550 million, OM of € 253 million.

Worldline has three global business lines, each with its own portfolio of services, solutions and significant opportunities for growth, that together form the foundation for Worldline's business strategy:

- The **Merchant Services** global business line primarily targets merchants, helping them build consumer intimacy through its broad portfolio of electronic payment solutions and value added services, across sales channels;
- The **Financial Services** global business line targets banks and other financial institutions. Its mission is to provide a complete range of payment services for banks in a challenging and evolving regulatory environment, by leveraging Worldline's industrial scale processing operations and continuously providing innovations that support alternative pricing models, while taking into account new payment methods and value added services;
- The **Mobility & e-Transactional Services** global business line goes beyond traditional payment transactions, helping business and government entities develop new paperless digital services and evolve their business models by leveraging digital advances in mobility and data analysis and solutions originally developed in Worldline's payment business.

Worldline announced during its first Investor Day since the 2014 IPO, held in its Headquarters in Bezons (France), its upgraded ambitions for the 2017-2019 period reflecting the positive developments of its plans during the last 3 years and the increase of its business after the recent acquisitions of Digital River World Payments (announced in July 2017), First Data Baltics "FDB" (announced in July 2017) and lately, MRL Posnet in India (announced on October 3, 2017).

Revenue organic growth: after 3.5% to 4% for 2017, 5% to 7% for 2018 and 6% to 8% for 2019

OMDA margin: Above 22.5% in 2019, which corresponds to an improvement of above +400 basis points compared with 2016 *(18.5% OMDA margin, 2016 pro forma accounts)*

Free cash flow: € 230 million to € 245 million in 2019

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

- Take advantage of Worldline's unique Pan-European reach and undisputed leadership in Financial Processing;
- Expand strongly Worldline's Pan-European platform for Omni-Commerce Merchant Services;
- Bringing payment and regulation expertise to new markets 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. Worldline 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. Worldline's payment solutions and value added services thereby allow consumers to seamlessly transition between the merchant's various physical and virtual sales platforms.

Worldline Merchant Services business actively pursued its expansion and acceleration, by leveraging the acquisitions of Digital River World Payments in Sweden and MRL Posnet in the India during the course of 2017.

Worldline 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 mentioned earlier, Worldline now serves over 200,000 merchants in Europe, from micro merchants through to large international enterprises, pursuant to which it provides over 300,000 points of sale, manages 1,2 million terminals worldwide and nearly 58,000 e-Commerce websites. In Europe, Worldline processed (acquired) over 2 billion card transactions in 2017. In the field of e-Commerce, Worldline processed and/or collected over 550 million transactions in 2017 across a wide range of more than 150 on-line payment methods.

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

The Financial Services Global Business Line (including expert brand equensWorldline) is the trusted business partner for payments and transactional services. Worldline provides financial institutions with services, products and solutions to make and receive payments seamlessly, securely and efficiently. Worldline invests intensively in new and innovative solutions and the completeness of the service portfolio is unique in the industry as it connects payers and payees via any type of electronic transaction.

The Financial Services Global Business Line is grouped in four business areas and operates under two brands, viz. equensWorldline and Worldline:

- issuing;
- acquiring;
- account payments;
- digital banking.

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 circa 7.5 billion card transactions and circa 10 billion payment transactions per annum. The 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, Nexi and ING.

In addition to the equensWorldline activities in Europe, the global business line Financial Services is also present with the Worldline brand in Iberia, the Nordics, the Baltics, and outside Europe. Worldline offers Software Licensing solutions to financial institutions throughout 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 Worldline's licensed financial processing software.

C.5.3 Mobility & e-Transactional Services

Worldline's Mobility & e-Transactional Services is leveraging Worldline core payment capabilities and regulatory expertise to capture in real-time high volume transactions, authenticate and secure, process business critical bi-directional transactions and archive (fraud management, regulation).

Hence Mobility & e-Transactional Services is targeting those markets that are impacted by the same structural changes than the payment market is facing: the move from paper to digital, the revolution in customer engagement created by Digital, the need for secured business critical transactions and to comply with regulation.

Worldline is focusing its efforts on several areas where it believes new digital services have significant potential:

- **E-Ticketing** covers a full set of solutions and services to Public Transport Authorities, Passenger Transport Operators, Government Agencies and Infrastructure Providers, including Digital Ticketing open payment solutions leveraging Worldline's payment capability, revenue settlement services, service planning, resource allocation and real time proactive decision support;
- **Trusted Digitization** provides paperless secured systems to public and private organizations for better services through the digitization of processes for citizens, including the enabling of electronic payments (taxes, fines, etc.), automated traffic enforcement solutions, and e-healthcare services, as well through a variety of trusted services for customers, including e-contracts and electronic invoicing, legal archiving solutions for companies and e-safe services for individuals;
- **e-Consumer & Mobility** provides cloud contact and consumer cloud services that improve the customer engagement and generate new business models, as well as Connected Living solutions that offer context-driven mobility solutions for consumers, patients and citizens and with the Industrial IoT solution highly secure solutions for the connection of globally spread machines in the after sales area.

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 was 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. In 2017, the total R&D expenses amounted to € 303 million.

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 digital 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. Quantum computing should make it possible, in the years to come, to deal with the explosion of data, which Big Data and the Internet of Things bring about. With its targeted and unprecedented compute acceleration capabilities, notably based on the exascale class supercomputer Bull sequana, quantum computing should also promote advances in deep learning, algorithmics and artificial intelligence for areas as varied as pharmaceuticals or new materials. To make progress on these topics, Atos intends to also put in place several partnerships with research centers and universities around the world

In 2017, after having presented the Atos QLM, the world's most powerful quantum simulator, in Brussels in July, Atos delivered less than six months later – on November 13, 2017 – a copy of its machine to Oak Ridge National Laboratory, Tennessee, the department of Energy's largest multi-program science and energy laboratory. Installed on-site, the Atos QLM offers US researchers and engineers the opportunity to develop and test the quantum applications and algorithms of today on the computer of tomorrow. Since its launch, the machine – capable of simulating up to 40 quantum bits (Qubits) – has been the subject of permanent innovations by Atos quantum teams.

Among these innovations, researchers at the Atos Quantum laboratory work in particular on the integration of "quantum noise" models, a particularly useful improvement for researchers working on Qubit architectures. In parallel with its quantum simulation work, the Atos Group also participates in the development of new standards of so-called "quantum-safe" algorithms, i.e. those capable of withstanding quantum attacks in order to make current applications (the Internet, e-commerce, and personal data) inviolable by quantum methods. As such, the Atos Group has responded to a recent call for proposals launched in the United States by the National Institute of Standards and Technology (NIST).

The highly innovative nature of the Atos Quantum program is recognized not only at an international level but also at a regional level. For example, at the presentation of the Smart Region Initiative Plan (2018-2021) on November 21, which is aimed at making the Île-de-France the first smart region in Europe, Valérie Pécresse, president of the Île-de-France Regional Council, stressed the immense technological and industrial contribution that quantum computing embodies. It is within this framework that the Île-de-France region will donate up to 5 million euros in research and development to the Atos Quantum laboratory located in the clays-sous-Bois in Yvelines.

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 portfolio 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. To strengthen this partnership, Atos signed a new reseller agreement in which Dell EMC will resell Atos' high-end 8 to 16 sockets x86 Bullion servers. This new agreement is in line with the ambition of both parties to accompany customers in their digital transformation to support the massive "data-ization" of their businesses. Bullion servers are certified by SAP and Oracle and complete Dell EMC's existing portfolio of high-end advanced PowerEdge servers.

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

[GRI 102-18] [GRI 102-19] [GRI 102-20] [GRI 102-21] [GRI 102-26], [GRI 102-27] [GRI 102-29] [GRI 102-30] [GRI 102-31] [GRI 102-32] [GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

D.1.1.1 Vision

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

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 for assuring ethical behaviors, protecting data privacy, avoiding digital breaches, and even protecting the use of natural resources is critical to advance in Atos digital journey.

The Atos strategy described in section B.3 includes a strong Corporate Responsibility Program to support its customers and 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 establishes value for society by addressing its needs and challenges-in other words-connecting 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

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

Atos Corporate Responsibility and Sustainability Principles are embedded in Atos strategy, structured in four axes and additional extra financial targets:

- **operate as a responsible employer:** Atos intends to be recognized as the best employer in the IT sector and to build the best employee digital experience. In this field, Atos' ambition is to keep increase the Atos Great Place ToWork Trust Index® 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 2019 objective to continue to raise the Net Promoter Score above 50% for its TOP Clients, and strengthen innovation with the increase of the Digital Transformation Revenue from 14% to 40% by 2019;
- **behave as an ethical and fair player within Atos' sphere of influence:** In the field of ethics and data protection, the Group intends to attain a 70% level of its total spend by 2019, as assessed by EcoVadis, an external agency;
- **support the transition to a low-carbon economy:** as a sustainable player, Atos manages its operational efficiency in environmental footprint with an objective to reduce by 5% to 15% CO_2 emissions per revenue unit (tCO2 per € million) by 2019.

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

- maintain corporate sustainability leadership in the IT sector: consolidation of and increasing Atos' position in recognized sustainable rankings such as Great Place to Work, and extra financial ratings (DJSI, FTSE, etc.) are continuous exercises for Atos to challenge its corporate performance and consolidate credibility in the market. Numerous awards received during the year in diverse areas show the increased worldwide commitment of the Group, and the 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 the 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;
- corporate responsibility matters are especially embedded in Atos risk and opportunities management, compliance requirements, quality and customer satisfaction processes, and human capital management;
- Atos aims to progressively embed corporate responsibility in our employees' daily working life regardless of where they are located. Continuous efforts are made to provide the regions with a coherent approach that strengthens Atos' positioning as a multi-national group, integrating local needs and concerns;
- identifying challenges, establishing priorities, and measuring performance: Atos' ambition is 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 undertaken annually through a material assessment that prioritizes the areas where the Group must focus on incorporating best practices in the market, trends in the ICT sector, and compliance with existing regulations and international standards.

D.1.1.3 Governance

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

The General Secretary, member of the Group Executive Committee reporting directly to the Chairman & CEO, supervises Atos' Corporate Responsibility and Sustainability Program, and provides guidance on the actions performed. He/she 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 up to 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. Specific channels are in place to facilitate communications across Business Units and regions.

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

D.1.2 Atos' stakeholders approach

[GRI 102-13] [GRI 103-1 Economic performance] [GRI 103-1 Market presence] [GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Anti-Corruption] [GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

Atos' corporate responsibility process is supported by on-going 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, either 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 by protecting the Group's reputation.

Dialogue takes place at every level of the organization:

- at a global level, teams at corporate headquarters 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 occur, and criticality to business operations;
- defining Key Performance Indicators that 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 Standard guidelines on which Atos has based its actions in order to:

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

Every three years, an external consultancy firm supports Atos to update its materiality assessment, process that this time has included a round of external and internal stakeholders' direct interviews in order to get their expectations in terms of extra-financial performance expectations. In 2017, Atos launched also an impact valuation assessment with the objective to measure most relevant externalities.

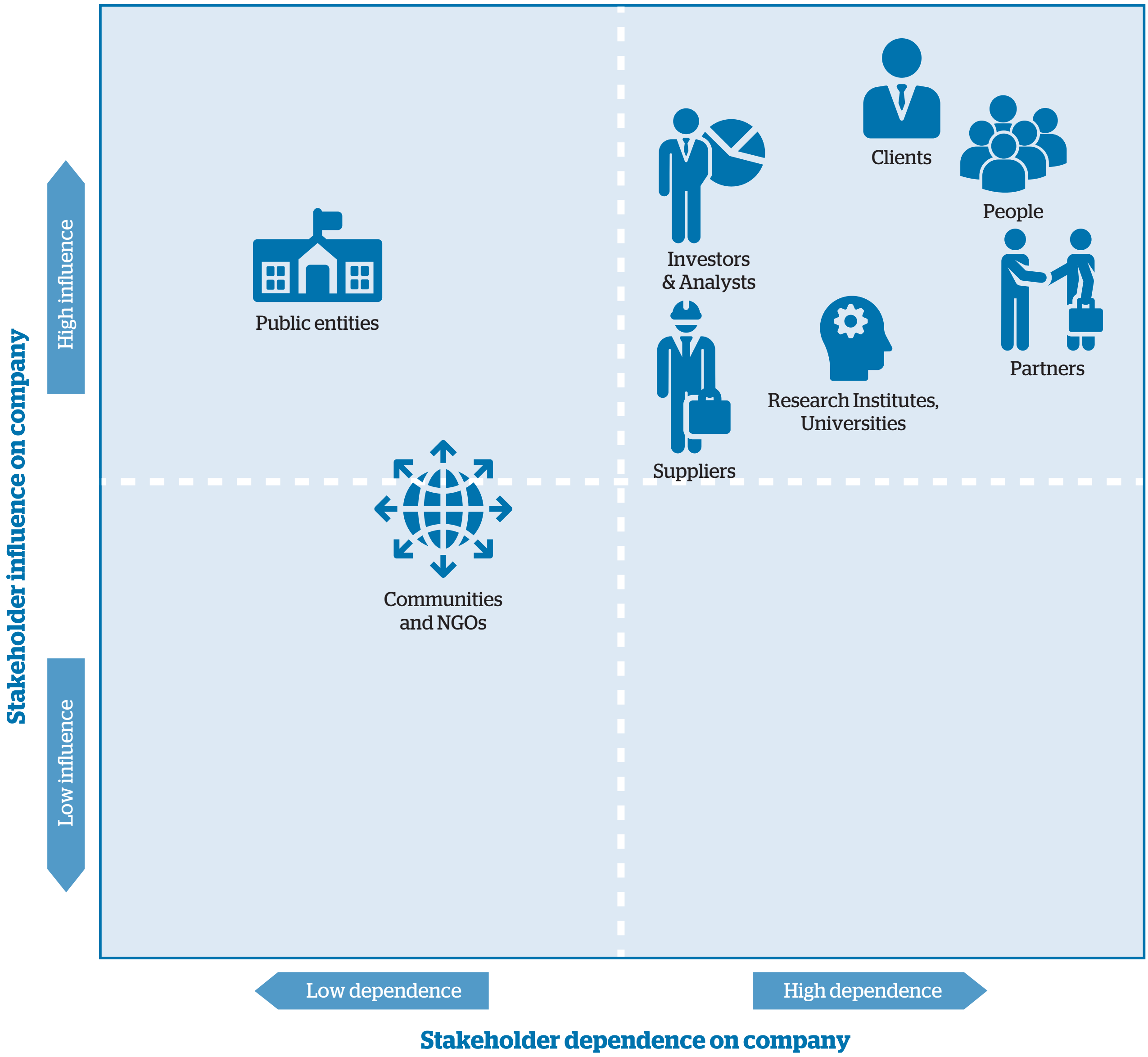
D.1.2.1 Mapping of stakeholders' expectations

[GRI 203-2] [GRI 102-40] [GRI 102-42] [GRI 102-44] [GRI 102-21] [GRI 102-27]

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 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 environment 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 does 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 a limited environmental footprint. NGOs can also have specific requests and seek for collaboration with Atos to share best practices and positively benefit from initiatives at the 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

[GRI 102-42] [GRI 102-43] [GRI 102-44]

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

Beginning of 2018, a workshop is planned to update stakeholders about results of Atos materiality assessment and to share with key stakeholders the new challenges in the IT sector and sustainability 3.0. The role of Atos in securing responsible digital services, as well as the ethical and security aspects is embedded in new systems like artificial intelligence, robots, etc.

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: 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 chain;
- negotiate: Depending on the influence of the stakeholders on the Company, Atos can initiate negotiations to find the best approach for combining stakeholder expectations and Atos business interest.

D.1.3 Atos materiality assessment and the Corporate Responsibility dashboard

[GRI 102-46] [GRI 102-47] [GRI 103-1 Economic performance] [GRI 103-1 Market presence] [GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Anti-Corruption] [GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

Atos' Corporate Responsibility approach is based on a materiality analysis in order to prioritize its actions taking into accounts 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 eighth consecutive year, Atos fulfilled the highest requirement of GRI application level, today named GRI Comprehensive level for its Corporate Responsibility Integrated report (Registration Document and Corporate Responsibility report).

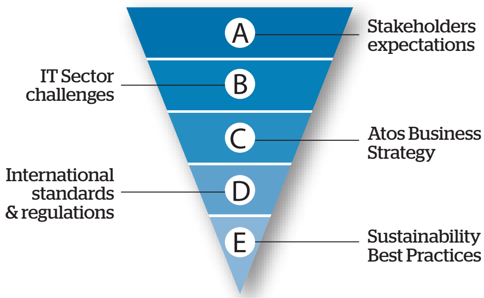
The overall report was assured by an external auditor. Atos has successfully completed the GRI Content Index Service. Content of the report and methodology applied according to AA1000 principle are assured by an external auditor. Atos aims to demonstrate that the additional financial performance disclosures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

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

D.1.3.1 Identification and prioritization of relevant Corporate Responsibility issues

[GRI 102-49] [GRI 103-1 Economic Performance] [GRI 103-1 Market presence]
[GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Anti-Corruption]
[GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education]
[GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy]
[GRI 103-1 Socio-economic compliance]

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 regular communication with them;

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

C: Atos holds annual 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, specific local issues and to validate the materiality analysis;

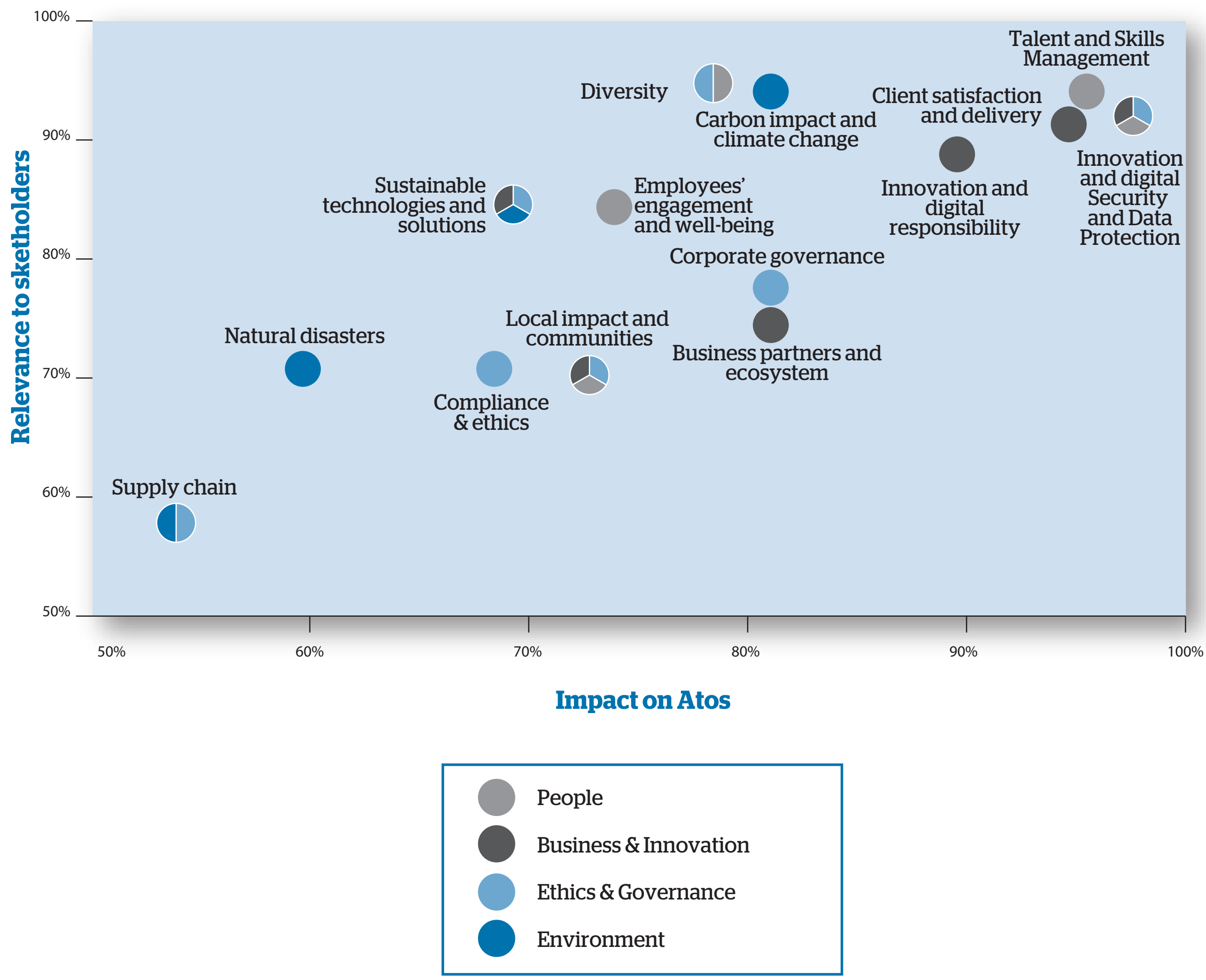
D: International standards and regulations were also taken into account in the materiality review to help managers and the Corporate Responsibility teams prioritize the different challenges;

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

[GRI 102-14] [GRI 102-15] [GRI 102-47] [GRI 102-44] [GRI 103-1 Economic performance] [GRI 103-1Market presence] [GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Energy] [GRI 103-3 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Anti-corruption] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

The results of 2017 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, four focus areas have been 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.

- PEOPLE – Being a responsible employer: Atos has the responsibility and ambition to constantly support a diverse, talented and motivated workforce, and provide employees with relevant skills for the digital transformation.
- BUSINESS & INNOVATION – Generating value to clients through sustainable and innovative solutions: Atos is expected to provide added value to its customers, through innovative and sustainable solutions, and to protect their valuable data. Atos also has the responsibility to build a better digital world.
- ETHICS & GOVERNANCE – Being an ethical and fair player within Atos' sphere of influence: As a global company, Atos is expected to have strong corporate governance and ethical standards, applied from the top and disseminated to its stakeholders.
- ENVIRONMENT – Supporting the transition to a low-carbon economy: Atos has to be able to mitigate the risks arising from natural disasters, and to improve the efficiency of operations, in order to support the transition to a low-carbon economy.

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. 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, and are able to accompany clients through the digital journey. It is also to ensure well-being at work and overall employees' commitment and satisfaction. Therefore, employees' commitment is critical to meeting clients' needs. The capacity of the Group's 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 & Skills management; • Diversity; • Employees' engagement and well-being. Regarding GRI Standard aspects, these main issues correspond to: • Employment; • Training and Education; • Diversity and Equal opportunity; • Equal remuneration for women and men. For more information on GRI Standard aspects, see section D.6.1.	**People management:** Atos has developed a well-articulated and optimized employee management approach spanning the critical steps of an employee lifecycle: recruitment system, performance management process, learning and development offerings, and mobility and succession planning, all orchestrated by talent workforce planning. To ensure maximum collective efficiency, one of our main objectives is to ensure that all of our employees receive an annual performance and career development review with the Individual Development Plan as an output. **Employee engagement and well-being:** Atos' belief is that the overall performance of the Company stems from the commitment of every single employee, this commitment being the result of HR policy, L&D and Care. Modern material working conditions environment being a prerequisite, Atos Campus Offices approach is yielding high benefits in the growing number of sites where the concept is deployed. This campus approach is part of the Well-being@Work program that aims at ensuring that all kind of fruitful services are actually offered or delivered to employees to ensure that they operate in the best-in-class working environment. **Diversity:** Atos has deployed a Diversity program worldwide. In order to share best practices around the globe on Gender equity, Disability, Seniority & other facets 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. Leveraging on a worldwide ecosystem, Atos creates inspired and innovative solutions to deliver increasing value for clients. This must be done in a way that ensures a high level of safety, security and data protection. Atos also has the responsibility to favour a culture of digital responsibility, from design to delivery of solutions.	The material issues for Atos in relation to its customers are: • Clients satisfaction and delivery; • Security & data protection; • Innovation; • Business partners and ecosystem; • Sustainable technologies and solutions. GRI Standard aspects, these main issues correspond to: • Product responsibility labeling; • Customer Privacy. For more information on GRI Standard aspects, see section D.6.1.	**Client satisfaction:** Atos is committed to ensuring a high level of customer satisfaction and improving scores every year. **Security and data protection:** Atos has developed a comprehensive data protection approach that relies on the Group Data Protection Policy, the principle of privacy by design in its technologies and the continuous development of outstanding skills. The overall objective is to reduce the number of incidents and to avoid any breaches of customer privacy and losses of customer data. **Innovation and digital responsibility:** The Group is continually strengthening its portfolio of offerings to better meet sustainable challenges of its clients. Innovation is encouraged via the development of relationships with industrial analysts, partners, start-ups and academics. To accelerate open-innovation with clients, Atos sets yearly objective of innovation-workshops. Moreover, the involvement of the Scientific Committee members with its clients is part of the approach. **Business partners & ecosystem:** The Group forges long-term partnerships with main IT industry players while involving increasingly start-ups in solution designing and delivery. Continuously strengthening this ecosystem has the ambition to design solutions combining disruptive mindset and best in class technologies, able to cope with a sustainable digital transformation. **Sustainable technologies and solutions:** Atos is committed to design solutions that are not only eco-designed and energy-efficient, but also that contribute directly or indirectly to reach the 17 sustainable development Goals. In this respect, the technologies developed by Atos enable small, medium or large organisations to answer crucial sustainable issues dealing with climate and environmental issues, economic and value creation, people and well-being or trust and governance. The approach is to encourage the use of digital in all sectors, and to estimate the impact of the solutions from a sustainability point of view.

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 anethical 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: ● corporate governance; ● Compliance and business ethics; ● Supply chain management; ● Local impact and communities. Regarding GRI Standard aspects, these main issues correspond to: ● Economic Performance; ● Market Presence; ● Indirect Economic Impact; ● Procurement Practices; ● Anti-corruption; ● Compliance. For more information on GRI Standard aspects, see section D.6.1.	**Corporate governance** Since 2010, in accordance with the recommendations of the French Financial Market Authority, the Board has appointed, alongside the Chairman of the Board, in order to ensure the implementation of best corporate governance standards by the Board of Director. As at December 31, 2017, the Board of Director was composed of 50% of women, exceeding the threshold of Copé-Zimmerman law. 6 nationalities were represented in the Board. In 2017, the Board held 20 meetings. **Compliance and business ethics**: At Atos, high ethical standards, supported by Group-wide strategy, policy and training procedures, underpin the delivery of excellent business technology solutions. Atos' 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 prerequisite for building trust and long-term relationships. By assessing its suppliers, Atos aims to monitor and ensure the respect of its values. Atos objective is to carry out assessments on key new suppliers from Bull, Xerox ITO and other planned acquisitions. **Local impact and communities:** 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
Environmental efficiency is key for limiting the impact of the Group's activities, for improving its operational excellence and for supporting its clients in the necessary transition to a low-carbon economy. Improving the Group's environmental efficiency notably implies reducing its energy and carbon intensities and limiting the impact of business travel. Supporting the transition to a low-carbon economy relates to the positive impacts of new sustainable solutions. And, in a warming climate, resilience to extreme natural events is also becoming more and more material.	The material issues for Atos in relation to environment are: ● Carbon impact and climate change; ● Reliance to natural disaster. Regarding GRI Standard aspects, these main issues correspond to: ● Energy; ● Emission; ● Product Responsibility compliance. For more information on GRI Standard aspects, see D.6.1.	Atos monitors a global Environmental Program to measure and reduce its overall environmental impact. It designs, promotes and consolidates specific initiatives addressing its main environmental challenges: carbon intensity, energy efficiency, low-carbon and renewable energy, travel impact and sustainable solutions. **Carbon impact and climate change:** Since 2008, the Group has reduced its carbon emissions by 50% both in intensity and absolute. Its new carbon targets to limit the rise of climate change to 2°c have been approved by the Science-Based Target Institute and the CDP ranks Atos as one of the best-in-class for its action to combat climate change. Natural disasters. The specific risks related to natural disasters are monitored through tools and processes. Dedicated processes aiming at assessing employees' safety and at ensuring business continuity have been implemented.

D.1.3.3 Atos Corporate Responsibility Key Performance Indicators

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

Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
People	Talent and Skills management	Average hours of training that employees have undertaken during the year	404-1	2.1.2 Right People with the right skills
		Number of employees' digital competency certifications	404-2	2.1.2 Right People with the right skills (TO CONFIRM)
		Percentage of employees with and Individual Development Plan	404-3	2.4 Being a responsible employer - KPI overview
		Programs for skills management and lifelong learning that support the continued employability of employees and assist hem in managing career endings	404-2	2.1.2 Right People with the right skills
		Number of internships	404-1	2.4 Being a responsible employer - KPI overview
		Number of employees with an Individual Development plan	404-3	2.4 Being a responsible employer - KPI overview
		Number of certifications obtained	404-2	2.1.2 Right People with the right skills
		Internal fulfilment	404-3	2.4 Being a responsible employer - KPI overview
		Percentage of total employees who received a regular performance and career development review during the year	404-3	2.1.2 Right People with the right skills
	Diversity	Percentage of females within Atos	401-1	2.1 Employees, Atos main asset
		Percentage of women identified in talent pools	405-1	2.4 Being a responsible employer - KPI overview
		Diversity of employees: Employee category according to gender, age group, and other indicators of diversity (seniority, nationalities, minorities)	405-1	2.2.2 Promote Diversity
		Diversity of employees: Number of disabled employees	405-1	2.2.2 Promote diversity
		Ratio of basic salary and remuneration of women to men	405-2	2.2.2 Promote diversity
		GPTW diversity perception	A6	2.4 Being a responsible employer - KPI overview
	Employees' engagement and well-being	Absenteeism Rate (%)	A16	2.2.1 Working conditions
		Return to work and retention rates after parental leave	401-3	2.4 Being a responsible employer - KPI overview
		Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	A2	2.4 Being a responsible employer - KPI overview
		Atos Trust Index® informed by Great Place to Work (GPTW)	A2	2.4 Being a responsible employer - KPI overview
		Coverage of the organization's defined benefit plan obligations	201-3	2.1.3 Recognition and loyalty
		Benefits provided to full-time employees that are not provided to temporary or part-yime employees, by significant locations of operation	401-2	2.1.3 Recognition and Loyalty
		Collaborative technologies development	A11	2.4 Being a responsible employer - KPI overview
		Percentage of voluntary attrition	401-1	2.4 Being a responsible employer - KPI overview

Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
Business & Innovation	Client satisfaction and delivery capability	Net Promoter Score	102-43 102-44	3.1.1 Permanent improvement of the client satisfaction
		Results of surveys measuring customer satisfaction	102-43 102-44	3.1.1 Permanent improvement of the client satisfaction
	Innovation and digital responsibility	Innovation workshops delivered with customers	A10	3.3 Innovative approach of sustainable business
		Development and impact of infrastructure investments and services supported	203-1	3.4 meeting sustainability challenges of clients through offerings3.5 Shape the future with business partners and startups ecosystem4.3 A trusted partner for the benefits of the local ecosystem
	Security and data protection	Percentage of coverage ISO 27,001 certifications	A3	3.2.1 Security Policy
		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	418-1	3.2.2 Protecting personal data in a data driven world
		Information security	A3	3.2.1 Security Policy
	Business partners and ecosystem	Digital Transformation factory revenue (M€)	A12	3.6 Generating value for clients through sustainable and innovative solutions – KPI overview
	Sustainable technologies and solutions	Total Revenue of "sustainability offering" (M€)	A7	3.6 Generating value for clients through sustainable and innovative solutions – KPI overview
		Global average PUE (Power Usage Effectiveness) of the strategic datacenters	302-5	5.1 Environmental extra-financial performance
		Reductions in energy requirements of products and services	302-4	5.3.3 Energy consumption and intensity ratios
		Offsetting of all data centers GHG emissions (%)	305-5	5.1 Environmental extra-financial performance
		WEEE collected or recovered and reused/recycled (in Kg)	A19	5.3.7 Other environmental challenges
Ethics & Governance	Corporate governance	Percentage of females within the Board of Director	405-1	2.2.2 Promote diversity
		Attendance rate at Board Meetings	102-28	4.5 Ethical and Governance excellence in Atos' sphere of influence –KPI overview
	Compliance and business ethics	Employees trained in Code of Ethics	205-2	4.2.1 Ethics and Compliance Program
		Number of significant fines (higher than 100K€) and total number of non monetary sanctions for non compliance with laws and regulation	419-1	4.2.1 Ethics and Compliance Program
		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	205-1	4.5 Ethical and Governance excellence in Atos' sphere of influence –KPI overview
		Confirmed incidents of corruption and actions taken	205-3	4.5 Ethical and Governance excellence in Atos' sphere of influence –KPI overview
	Supply chain	Percentage of strategic suppliers evaluated by EcoVadis	A17	4.3.2 Enhance Sustainable relation
		Total percentage of spend assessed by EcoVadis	A17	4.3.2 Enhance Sustainable relation
		Proportion of spending on local suppliers	204-1	4.3.1 A permanent dialogue with Atos suppliers

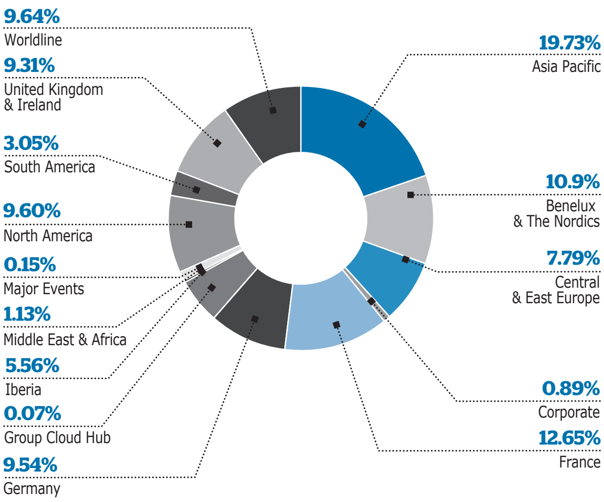
Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
	Local impact and communities	Total number of employees recruited	202-2	2.2.2 Promote diversity
		Percentage of graduates recruited	401-1	2.4 Being a responsible employer - KPI overview
		Ratios of standard entry level wage by gender compared to local minimum wage	202-1	2.4 Being a responsible employer - KPI overview
		Direct economic value generated and distributed - Community Investments	201-1	4.4 A trusted partner for the benefits of the local ecosystem
		Significant indirect economic impacts, including the extents of impacts	203-2	4.4 A trusted partner for the benefits of the local ecosystem
		Proportion of senior management hired from the local community at significant locations of operation	202-2	2.2.2 Promote diversity
		Financial assistance from governments	201-4	4.4 A trusted partner for the benefits of the local ecosystem
Environment	Carbon impact and climate change	Energy consumption within the organization	302-1	5.3.3 Energy consumption and intensity ratios
		Energy intensity by revenue (GJ per Million EUR)	302-3	5.3.3 Energy consumption and intensity ratios
		Energy intensity by employee (GJ per employee)	302-3	5.3.3 Energy consumption and intensity ratios
		Global GHG intensity ratio by revenue	305-4	5.3.2 Carbon emissions and climate change
		Global GHG intensity ratio by employee	305-4	5.3.2 Carbon emissions and climate change
		Number of sites certified ISO 14001	A14	5.2.3 Environmental management System and certification
		Energy consumption outside the organization	302-2	5.3.4 Travel and new ways of working
		Reduction of energy consumption	302-4	5.3.3 Energy consumption and intensity ratios
		GHG emissions – Scope 1 (tones of CO_2e)	305-1	5.3.2 Carbon emissions and climate change
		GHG emissions – Scope 2 (tones of CO_2e)	305-2	5.3.2 Carbon emissions and climate change
		GHG emissions – "Operational" Scope 3 (tones of CO_2e)	305-3	5.3.2 Carbon emissions and climate change
		Total GHG reductions achieved (tones of CO_2e)	305-5	5.3.2 Carbon emissions and climate change
		Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulations concerning the provision and use of products and services	419-1	5.4 Managing the corporate environmental footprint – KPI overview
		Financial implications and other risks and opportunities due to climate change	201-2	D.5.2.4 Main environmental opportunities and risks
	Natural disasters	Percentage of the strategic data centers that have synchronous data replication capacities	A20	D.5.4 Managing the corporate environmental footprint – KPI overview

D.2 Being a Responsible employer

D.2.1 Employees, Atos main asset

[GRI 102-4] [GRI 102-8] [GRI 401-1] [GRI 103-1 Employment]

Atos employees' total population is composed by 96,922 employees [GRI 102-7] with the following split per Business Unit [GRI 102-8]:



LEGAL STAFF BREAKDOWN PER GENDER AND AGE
[GRI 401-1]
(Germany & Corporate Germany excluded)

	Female	% total employees	Male	% total employees	Female and Male	% total employees
<= 30	7,785	9%	13,832	16%	21,617	25%
30 > <= 50	12,854	15%	34,837	40%	47,691	54%
> 50	4,866	6%	13,264	15%	18,130	21%
TOTAL	**25,505**	**29%**	**61,933**	**71%**	**87,438**	**100%**

D.2.1.1 Attract and develop talents

[GRI 103-1 Training and education]

Recruitment

Along 2017, Atos hired 12,596 employees to support the growth of the Group. In its drive to increase the excellence of the services delivered to its Clients, the Group continued its Tier 1 University program and developed a working plan with 125 top universities (recognized worldwide) with the full sponsorship and monitoring of Group Executive Committee. This approach resulted in an increase by over 300% (vs 2016) in the hiring of graduates coming from this selected pool of Tier one Universities with more than 1,000 recent graduates joining the Group.

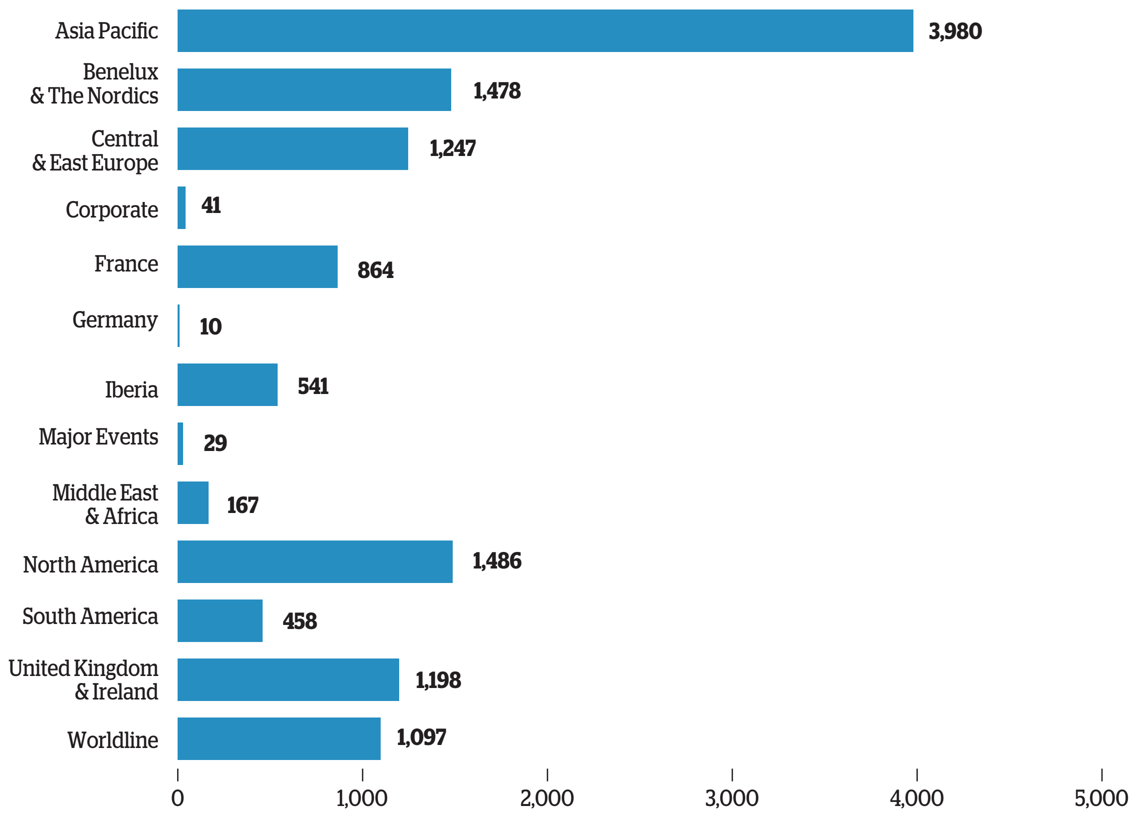
As part of Atos commitment to propose career opportunities to recent graduates, Atos increased in 2017 the hiring of interns coming from Tier One Universities by over +30%, on-boarding some 950 students to work along Atos' team, and grow their understanding of the industry and of their own skillsets and ability to contribute to teamwork with professionals. This opening to interns and apprentices, the trust Atos puts into these individuals who are yet to graduate is highly notice by the students; in France, for instance and for many years in a row, Atos has earned the label of "Happy Trainees" and "Happy Candidates".

Keen to offer to its staff career perspectives, Atos initiated in 2016 an "Internal First" program. Purpose of the program is to promote internal mobility when staffing new positions. Thus doing, employees can develop their experience, skills and employability within new career opportunities and through mobility. As part of this program, Atos filled 65% of its senior positions (GCM 7-9) with its own employees in 2017.

Additionally in 2017 the program was expanded to also include GCM 4-6 positions. In this enlarged scope, the Group achieved in 2017 a promising number of 54% of the opened positions staffed internally, a significant improvement versus the 28% achieved over 2016.

The Atos Recruitment Centre of Excellence is supporting Atos policy with a team able to drive cross-country initiatives and global strategies, as well as share and implement best practices across the function. Key projects in 2017 include the implementation of a new recruitment tool and increased hiring in Atos' offshore centers 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
[GRI 401-1]
(Germany & Corporate Germany excluded)



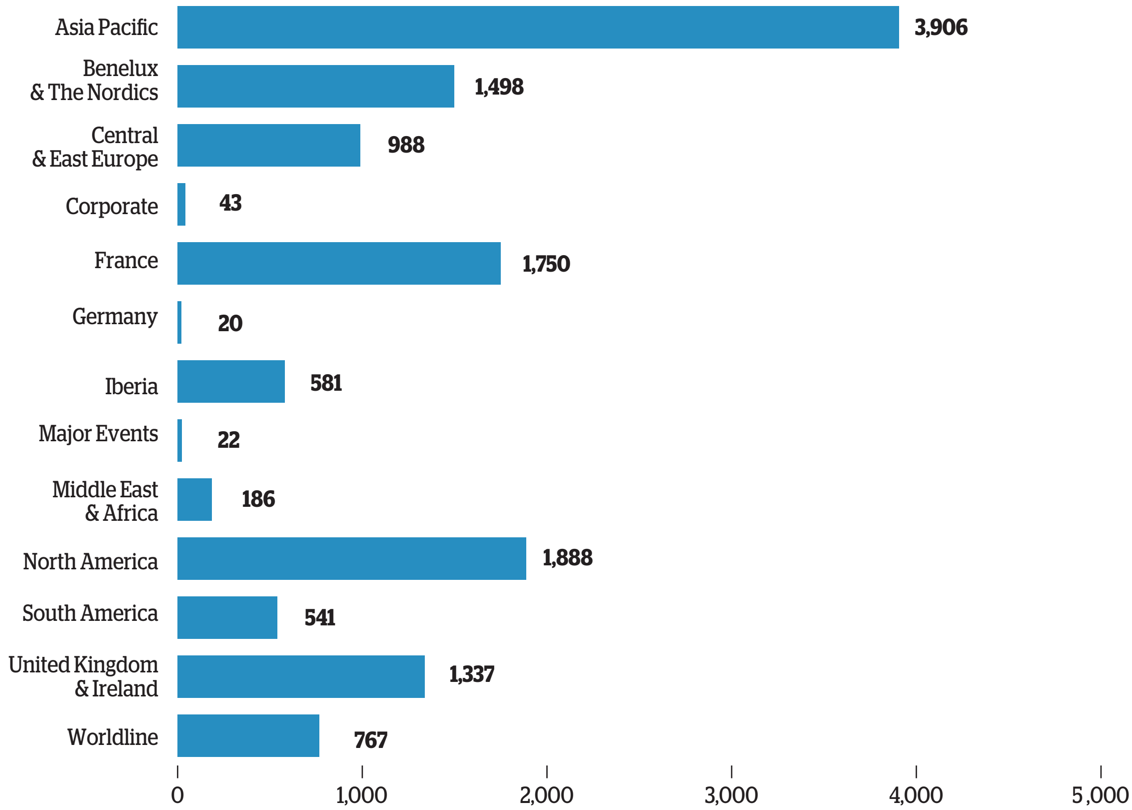
NUMBER AND RATE OF PEOPLE ENTERING IN THE COMPANY PER GENDER AND AGE
[GRI 401-1]
(Germany & Corporate Germany excluded)

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	2,363	19%	4,706	27%	7,069	56%
30><=50	1,301	10%	3,699	29%	5,000	40%
>50	187	100%	340	3%	527	4%
TOTAL	**3,851**	**31%**	**8,745**	**69%**	**12,596**	**100%**

It is to be noted that 31% of the hiring made in 2017 were female; this percentage being above the percentage (29%) of the female representation in the Atos staff does contribute to increasing the female population within Atos; this effect is compounded by the fact that percentage wise the female leavers percentage is below their representation in the general population (25% leavers are female versus 29% of the scoped population is female).

During the same period, 13,527 employees left the Company (more details on headcount evolution are provided in section E.1.7 Human Resources, including dismissals). The workforce turnover in 2017 was 15.5%.

NUMBER OF PEOPLE LEAVING THE COMPANY PER BUSINESS UNIT
[GRI 401-1]
(Germany & Corporate Germany excluded)



NUMBER AND RATE OF PEOPLE LEAVING THE COMPANY PER GENDER AND AGE
[GRI 401-1]
(Germany & Corporate Germany excluded)

	Female	Rate of total leavers	Male	Rate of total leavers	Female and Male	Rate of total leavers
<= 30	1,750	13%	3,660	27%	5,410	40%
30 > <= 50	1,651	12%	4,938	37%	6,589	49%
> 50	402	3%	1,126	8%	1,528	11%
TOTAL	**3,803**	**25%**	**9,724**	**75%**	**13,527**	**100%**

Talent Development

Atos has also built at Group level dedicated Talent development programs to reinforce their capabilities and grow careers quickly; sustainable and long term employability of Atos staff is the cornerstone of the Talent & Training policies. 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 self-organized and international. The Juniors Group's mission is to develop the best individual potential of its 50 members through a combination of personal development sessions, networking opportunities with top management and international colleagues, and work on innovative projects that contribute to Atos global business performance.

Gold for Managers

Nominated by the Atos Executive Committee annually, 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 2017, more than 50 Atos employees were offered the possibility to increase their skills and knowledge in a project and program management Masterclass (PRM Masterclass), delivered in partnership with the Cranfield University School of management. In addition, Atos has successfully trained more than 150 Project Managers and Senior Project Managers in a similar internal Program.

SDM Academy

In 2017, Atos conducted the Service Delivery management Academy in cooperation with the ESCP Business School. This strategic training program focused on all aspects of Service Delivery and Client management was successfully completed by 134 participants worldwide.

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 is critical and key to maintain Atos' leadership position in the digital market. Therefore, 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 and Experts - around 13 technology macro domains and 62 Experts domains. Experts self-nominate for consideration. Candidate files are reviewed internally by fellows and distinguished expert in coordination with highest management position holders in the company under the constant guidance and Monitoring of Atos Scientific Community and of the Chief technology Officer. This process has allowed Atos to identify more than 2,000 digital Experts who are now acting as a community and taking part to especially dedicated events.

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

D.2.1.2 Right People with the right skills

[GRI 103-1 Training and education] [GRI 404-1] [GRI 404-2] [GRI 404-3]

People and skills development is a key priority for Atos and a cornerstone of the Group Strategy. In order to support the ramp up of the Digital Transformation Factory, the Group has launched a dedicated program to train and certify people in those domains. This program has delivered training curricula and certifications for Sales, Pre-Sales, management and Delivery. In all areas Atos has set very ambitious targets to train and as a result more than 14,000 people have been trained on Digital Factory related topics and obtained a certification [GRI 404-2].

In addition, a new Learning management System has been deployed, offering a significantly improved usability compared to the one in place before. Within this system, a vast training catalogue of 10,000 + courses is available 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 an average 14.89 hours of formal training per employee [GRI 404-1].

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 2017, Atos estimated the number of hours of informal training as greater than 30 hours per employee. Accordingly, there were more than 3.2 million hours of education reported for 2017. This represents an average of 36.27 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 trustworthy, consultative and digitally literate sales force. After implementing a common sales methodology, Atos has focused the sales training 2017 on the Digital Transformation Factory as well as other new portfolio, such as Unify and BULL. This was supported also by the usage of the new Adaptive Learning solution Atos has put in place globally for Atos e-Learnings. Atos has deployed a new Sales Methodology alongside key training programs within the Sales Academy. In addition, Atos launched some adaptive trainings around key portfolio offerings, so that Atos Sales team members can acquire the required knowledge as quickly and effectively as possible.

Service Delivery capabilities

To equip its workforce with digital solutions design and delivery capabilities, Atos invests heavily in training and certification 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 (e.g. Siemens).

At the end of 2017, Atos had an average of 23 different skills identified per employee [GRI 404-2].

Management capabilities

In 2017, Atos put a very strong focus on enabling managers to support and execute the strategic ambitions of the Group. Atos launched a training program called "Essential Training for Managers" that consisted out of 3 components: A video message from the COO, an Adaptive e-Learning and a face to face workshop, where managers could share experiences and find solutions for common challenges. In H2/2017 more than 4,000 Managers have conducted the training. The remaining management population will follow in 2018.

In addition to that, Atos has created specific overview courses for the Digital Factory Offerings. Also here completion rates have been high and the trainings have been appreciated by the managers.

Besides that Atos has continued to enable new team leaders via our global Team Leader Curriculum. More than 300 Managers have participated in this program so far.

Careers within Atos

In order to meet its strategic market development ambition, Atos intends to attract and develop talented professionals. For this, Atos needs to build end-to-end vision and processes related to career development and mobility. The 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 reduced attrition and increases the appeal of Atos.

Every Atos employee is entitled to an Individual Development Plan, as part of his/her regular career and performance-related conversations with management. Atos reinforces systematic and consistent semester-based objectives setting and appraisal reviews, supported by policies and tools. 86.30% of employees received regular performance and career development reviews in the last 12 months [GRI 404-3]. This not only secures a solid basis for further development of Atos employees; it also helps with alignment of people objectives across the organization, increases clarity and transparency in workforce capabilities, and helps to identify potential gaps. Said gaps are intended to be filled primarily with internal candidates, and as such will further enhance the development opportunities for Atos' people. More than 15% of staff received a horizontal or vertical promotion in 2017.

Global mobility

In the wake of 2016, where the Mobility Function was "globalized" within Atos to keep pace with the maturation of the service delivery model, Atos enjoyed in 2017 all the benefits from a sustainable and risk managed delivery model providing more efficiency, clarity, and accountability in supporting business mobility requirements. This model has also delivered increased flexibility to anticipate future needs and support Group strategy. It is also more transparent to the employees on mobility options, and provides them the opportunity to pro-actively further their career ambitions.

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

Throughout 2018, 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, productive international assignment experiences for the benefit of customers and employees.

D.2.1.3 Recognition and Loyalty

[GRI 103-1 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 operating in 70+ geographies and in 59.49% of these countries have minimum wages dictated by law; where a minimum wage is dictated by law, Atos is paying more than this level of wage. [GRI 202-1]

Health care coverage, death and disability benefits

Health care is offered to 92% of permanent employees and disability benefits are offered to 84% of permanent employees [GRI 401-2]. 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 90% of the permanent employees [GRI 401-2]. 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 sometimes doubled for a death as a result of an accident (China, Japan, Thailand, Poland, Spain, Brazil, Chile, Mexico, and UAE).

Coverage of the organization's defined benefit plan obligations
[GRI 201-3]

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's 2019 Strategic Ambition to reinforce its position as Tier One Company for IT services and payments solutions, and to become a referenceable Wellbeing@work Company.

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

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

To ensure that Atos continuously reaches these objectives, the compensation policy is regularly reviewed and deployed in all countries where Atos operates according to local specificities and regulations. All acquired companies are transitioned to Atos compensation policy. The Group conducts an annual benchmarking exercise with Atos competitors in the ICT (Information and Communication Technology) market to ensure 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 all Atos employees that are eligible to bonus policy, variable compensation has been determined for several years now on a semester and not an annual basis. 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-bound). The Executive Committee ensures that the Variable Compensation Policy encourages the Group employees to deliver the best collective and individual performance. Atos' financial results 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 2017, 15,000 Accolades have been distributed over the countries in which Atos operates;
- **"Sauccess Story Awards"**, which rewards the best project teams working at clients' offices. 7 teams are rewarded: 1 team per Global Market (TMU, FS, MRT, PH, Unify, Siemens account) and one 'special sales award'. Group Executive Committee and Market Leaders select the best projects for each category. Extensive communication supports this program and key players are invited to a dedicated ceremony with the Group Executive Committee. In 2017, 66 projects entered the competition participating in one of the several categories. Since its creation in 2011, this internal contest became a major event for Atos Business Technologists.

Remuneration analysis

In 2017, 27% of the Atos population was working in a country where the ratio between the highest OTE and the median one is below 10 [GRI 102-38].

[GRI 102-39]

Ratio between the highest OTE and the median OTE	% of the Headcount
Under 10	27%
10<X<20	52%
More than 20	21%
TOTAL	**100%**

In 2017, in line with Atos' policy to reinforce evolution of remuneration levels in local employment markets, both the categories of "<10" and ">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 offered large Employee Stock Ownership plan, open to a large number of employees. These plans, called Sprint, offered to employees the opportunity 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 offered to a significantly increased pool 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 increase the number of participants and positively affect the program's overall success, Atos worked out a new plan; Share 2016 a Sprint program, offering the opportunity for employees to buy Atos shares at a 20% discount on the price plus company matching shares.

This plan has been a real success garnering > 10,500 participants in 23 countries and leading to a participation rate of > 12%.

Atos' ambition is to build on this success and continue to offer Employee Stock Ownership programs in the future. Therefore, a new program will be offered to Atos Employees in 2018.

Management Equity Plans

In order to reward and retain key talents and top managers, Atos implemented stock option plans and performance share plans, detailed in section G.3 Executive compensation and stock ownership (including former stock option plans).

On July 25, 2017, in line with the Group's main strategic guidelines, c.1,000 Atos employees - comprised of senior managers, executives , selected technical experts, high-potential employees and graduates from Tier 1 universities - have been granted Atos performance shares. Ambitious, cumulative performance conditions have been set for this performance share plan. One of them is especially linked with External Revenue Growth, as growth is a key element of the Group strategy.

Atos performance share plans are detailed in the section G.3 Executive compensation and stock ownership specifically the Corporate Responsibility's condition of the performance share plan granted in 2013, 2014, 2015, 2016 and 2017.

D.2.2 Enhance the Wellbeing@work

D.2.2.1 Working conditions

[GRI 102-12] [GRI 102-13]

General statement of respect of international labor right
[GRI 102-12]

The protection of labor rights has long been a part of Atos policy. The Atos Code of Ethics confirms that Atos will always make decisions based on competencies 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 that Atos is willing to ensure such protection. As an active participant, Atos ensures the respect of the following principles:

- supporting and respecting the protection of internationally proclaimed human rights;
- ensuring 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 local labor laws: which has always been managed accordingly.

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

Health

Following a Health@work blueprint being drawn up in 2016 a new framework has been developed that has 'care' built into its centre. This has been drawn up with the aim of ensuring everyone in Atos understands the importance of looking after and caring for colleagues, and managers show positive team oriented behaviors. This pillar of 'care' is highlights best practice whilst taking into account the local legal and social factors in each Country.

Atos is committed to ensure it continues to comply with legal standards and also strives to meet best practices. For example, it has been awarded successively by the UK Royal Society for the Prevention of Accidents (RoSPA) and given the Gold Award for Health and Safety.

One initiative to encourage physical activity and healthy living has been designed through a website, "Atos revitalized.com": a multi-media and interactive health & wellbeing tool launched in 2012 that has more than 37,000 registered users within Atos, also including the App version.

With regard the Wellbeing Scores across 2017, the following has to be considered:

- overall Wellbeing Score is almost 44% - which is firmly in the "Good" category and is 6% higher than the average Wellbeing Score across the entire Revitalized client base of 400 organizations;
- there are more than 37,000 registered users at end of October 2017, around 10,000 more than in 2016, with over 24,000 of them active on the site during the previous 4 week period;
- revitalized business case ROI calculator indicates that 24,000 active users contributing to overall Wellbeing Scores 6% higher than average could result in potential financial benefit over £ 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 mandatory and non-mandatory e-learning materials which cover health and wellbeing topics.

Even given that Atos does not operate dangerous machinery and is not a high risk for occupational diseases, it is vital that it keeps in place a proactive or preventative approach to manage any issues, especially regarding psychosocial risks, The health@work and Care Pillars are therefore vital programmes to ensure that psychosocial risks are managed appropriately.

E-learning programmes are part of the proactive systems of support, especially in relation to 'soft skills' around communication skills, working across cultural differences, how to work effectively from a remote base and managers having effective coaching skills. There are also e-learning programmes to help employees understand and detect psychosocial risks such as stress. These e-learnings are available in all countries, and in multiple languages.

In addition, across many European countries and in North America, Atos has put in place employee health checks to ensure that any issues of stress are identified quickly so that a health intervention can be promptly put in place. Some additional actions may include the involvement of management if the employee agrees in order to address any perceived work-related stress.

Smart working conditions

Atos provides permanent, full time working relationships with its employees: 98.50% of the total workforce is under a permanent employment contract and 94.56% is full time [GRI 102-8]. Atos accepts part time job when an employee considers that it is better for their work life balance; part time is at the initiative of employee, not of the Company.

Atos operates in a collaborative mode, which allows remote working, offering more flexibility for employees in their work life balance. The whole set of initiatives to promote a smart, healthy work environment has reduced the absentee rate of the Company.

The absenteeism percentage regarding the direct operational workforce in 2016 was 2.33% [A16]. In addition, the total work related accidents numbered 266.

D.2.2.2 Promote diversity

[GRI 103-1 Diversity and equal opportunity] [GRI 405-1] [GRI 405-2]

Atos is strongly convinced of the importance of Diversity as a key driver for the Group's continuous growth and competitiveness. Diversity is firmly embedded into our People Strategy. Diversity at 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 five main dimensions: Gender, Cultural Diversity, Disability, LGBT, and Generations to further develop of diversity initiatives and as a way to bring excellence in people management and to improve the Group's operational performance. The Program is sponsored by a Steering Committee with Group Executive Committee members.

Throughout 2017, Atos has continued development of the Program with a clear focus on four main areas of action: "Engage" (establishing firm commitments to making this domain more and more visible), "Exchange" (listening to our staff and making the Diversity Program a program developed 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 geographies with a "Think Global, Act Local" approach.

In 2017, Atos organized a substantial number of initiatives in the Diversity domain, among others:

- establishment of Toastmasters Clubs in Dallas and Princeton;
- partnership with Rochester Institute of Technology (RIT) to provide communication support for neuro-diverse students in STEM majors;
- best practices sharing with Aetna;
- group level LGBT Pride Week webinar.

Although Atos has a major part of its staff in Europe, Atos employs people from 143 different nationalities [GRI 405-1]. 6 nationalities are represented in the Board of Director.

In addition, Atos supports a territorial anchor with 93.07% of the senior management coming from the local communities [GRI 202-2].

11,556 national employees were recruited in 2017 [GRI 202-2].

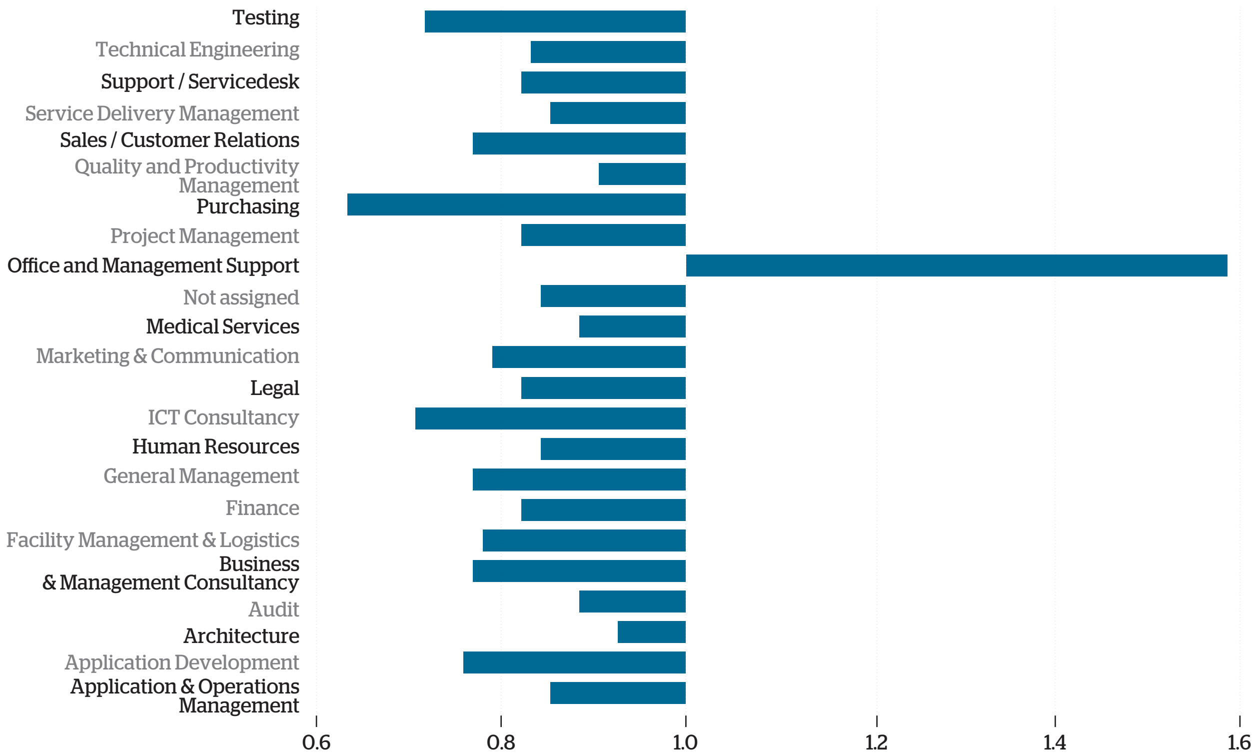
Promoting gender
[405-1]

Atos has made a commitment to increasing the number of women employed from 29.17%, and has programs and measures in place.

In addition, as of December 31, 2017 the Board of Director was composed of 50% of women. The Company is fully complying with the 40% rate of women Directors set forth by the French law n°2011-103 dated January 27, 2011.

Atos is adhering to the legal frameworks related to diversity to abolish 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
[GRI 405-2]



Some differences of salary between females and males still exist but the gap is narrowing thanks to some steps taken by the company (e.g. in France in the framework of an agreement with Unions, a special provision of money was set aside every year to come on top of the traditional salary review exercise so that the relative difference in average income per category between men and women is reduced). Though many factors can account for an apparent salary gap between male and female (seniority in the position, total year of seniority, etc.) the company is keen to address any systematic bias that may have survived through process and adapted benchmarks.

Take in account disabled people

Being in charge of the IT support for the Paralympic Games, Atos is 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 remarkable achievements within Atos teams. Specific programs have been implemented in different locations, in collaboration with union representatives, to attract, hire, and develop handicapped people. The goal of this initiative is to support people with a handicap and encourage others to consider career opportunities for disabled persons. In May 2013 Atos signed a collective agreement related to the employment and development of disabled people with French trade unions representatives.

In 2017, Atos Group employed 1,507 people with disabilities [GRI 405-1].

D.2.3 Building a Great Place to Work

[A6]

D.2.3.1 Social collaboration

Atos has made Social collaboration one of its main levers to ensure that our Clients are served to the optimum of our collective capabilities:

- Atos's campus concept deployed in our different offices and structured around open spaces combined with desk sharing;
- the extensive use by our employees of our ESN (Enterprise Software Networks) used to share the Atos way of working and its values, as well as the different expert communities;
- the rapid deployment and adoption of Circuit, a Unified Communication and Collaboration platform developed by our colleagues in the recently acquired Unify.

All of the above are key in fostering, and deploying further, the cooperation spirit that our employees expect, and that the company promotes, to ensure that our staff, our clients and our company benefits from our best-in-class digital workplace.

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 is required through its adherence 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 freedom of association, Atos has built a concrete organization for social dialogue.

Communication with employee representatives is a permanent and constructive dialogue within the employee bodies at European and country levels.

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

A culture of permanent social dialogue

The SEC (Societas Europaea Council) representing more than 63,000 people across Europe in 26 different countries is deeply involved in events concerning the Company. Atos Chairman & CEO, regularly comes to the SEC to present the company's strategy and ambition ; information about transformation or acquisition are shared with the SEC very early in the process, and very often before any mention of the project is done to top management or to Group employees. This demonstrates a high level of mutual trust and a strong desire to have the SEC promote complete transparency.

The Societas Europeas Council agreement planned for at least 3 meetings per year; in 2017 four meetings were scheduled and effectively took place (both ordinary and extraordinary) not to mentions the many opportunities for exchanges via the different commissions.

From social dialogue to social effective collaboration

On top of organizing 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 productive, useful and profitable dialogue. In addition to the commissions created last year, Atos has created several new Commissions, which meet regularly.

Subjects that are to be discussed within these commissions include, but are not limited to, the following:

- Bull SEC commission;
- 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 follow up of the Atos 2019 Ambition.

Social dialogue at local level

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

As a companion to the regulatory and legally required obligations, Atos values this social dialogue as an important means to ensuring that employees are informed and involved in the development of the Company. The local implementation of acquisitions/ integrations, like Xerox ITO, Unify and Equens, are important elements of this. Local organization structures and working conditions are topics in these consultations and negotiations.

These are the most important topics discussed in France during 2017:

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

Collective bargaining agreements

Atos realizes 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. 60% of employees are covered by collective bargaining agreements [GRI 102-41].

Collective bargaining agreements are agreements regarding working conditions and terms of employment between an employer, a group of employers, or one or more employers' organizations [GRI 401-3].

Atos' collective agreements cover 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 [A2]

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

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

In 2017 the survey was conducted in 76 entities in 54 different countries. In total 94,513 employees were invited to take part in the survey and the final response rate was 60% reflecting the voice of 56,712 employees.

The average score communicated by GPTW is 54% 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 2016, Atos has improved 2017 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 has a clear view of where the organization is going and how to get there	+5%	Management shows appreciation for good work and extra effort.	+5%
		I'm proud to tell others I work here.	+6%

The internal Atos Wellbeing@work program identified dedicated actions in each participating geography improve well-being and as a consequence, the GPTW results in 2017.

Atos is in a continuous improvement mode regarding well-being at work, setting sights on a 3 point improvement in GPTW results within 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. Up to 10 initiatives are developed, with action plans and KPIs. Each initiative is led by a global leader and implemented through a local team in each Business Units and countries.

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

The global Wellbeing@work program develops and implements many initiatives, and has setup a community on Atos' enterprise social network blueKiwi to encourage an open dialogue with and active participation of employees to create a great place to work together. Every employee can submit ideas to improve well-being at work in Atos. A dedicated international team is organized to follow-up on the ideas and to implement them.

D.2.4 Being a responsible employer - KPI overview

[GRI 103-3 Employment] [GRI 103-3 Training and education] [GRI 103-3 Diversity and equal opportunity]

		2017	2016	2015	2017 PERIMETER		2016 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
404-1	**Average training hours per employee**							
404-1_c1	Average hours of formal training per employee	14.89	18.47	21.29	82%	---	92%	---
404-1_c2	Average hours of formal training per male employee	14.26	17.58	19.13	82%	---	92%	---
404-1_c3	Average hours of formal training per female employee	16.54	20.89	27.11	81%	---	92%	---
404-1_c5	Average hours of training per employee	36.27	41.98	Not disclosed	89%	---	78%	---
404-1_c6	Average hours of training per male employee	35.55	37.98	Not disclosed	89%	---	78%	---
404-1_c7	Average hours of training per female employee	38.28	53.21	Not disclosed	89%	---	78%	---
404-1_c4	Number of internships	1,452	2,720	Not disclosed	N/A	---	N/A	---
404-2	**Employability initiatives**							
404-2_A_c1	Number of digital certifications registered	116,875	Not disclosed	Not disclosed	90%	---	---	---
404-2_A_b0	Number of digital certifications obtained per year	35,263	Not disclosed	Not disclosed	90%	---	---	---
404-2_A_b1	Number of different certifications owned by at least one Atos employee	5,151	4,422	3,692	90%	---	92%	---
404-2_A_b2	Total number of certifications registered	141,254	217,333	139,227	90%	---	92%	---
404-2_A_c2	Average number of certifications per Employee	1.62	2.35	1.70	90%	---	92%	---
404-2_A_c3	Number of certifications obtained per year	37,061	Not disclosed	Not disclosed	90%	---	---	---
404-2_A_b3	Number of different skills owned by at least one Atos employee (excluding certifications)	7,708	7,237	6,291	90%	---	92%	---
404-2_A_b4	Total number of skills registered	2,009,542	2,085,758	1,706,084	90%	---	92%	---
404-2_A_c4	Average number of skills per employee	22.98	22.56	20.98	90%	---	92%	---
404-2_A_b5	Number of employees who updated their profile during the year	67,298	60,571	47,215	100%	---	92%	---
404-2_A_c5	Percentage of employees who updated their profile during the year	69%	66%	58%	100%	---	92%	---
404-3	**Career development monitoring**							
404-3_A_c1	Percentage of employees receiving performance appraisal in the last 12 months	86.30%	83.90%	86.86%	79%	---	81%	---
404-3_A_a1	Percentage of female who received a regular performance and career development review during the reporting period.	28.10%	Not disclosed	Not disclosed	79%		---	---
404-3_A_a2	Percentage of male who received a regular performance and career development review during the reporting period.	71.90%	Not disclosed	Not disclosed	79%		---	---
404-3_A_b1	Number of female who received a regular performance and career development review during the reporting period.	18,637	17,114	17,392	79%	---	81%	---
404-3_A_b2	Number of male who received a regular performance and career development review during the reporting period.	47,695	43,965	43,696	79%	---	81%	---
404-3_A_c2	Percentage of employees with an Individual Development Plan	80%	62%	Not disclosed	83%	---	N/A	---
404-3_A_c3	Percentage of Internal Fulfilment	55%	65%	Not disclosed	83%	---	7%	---
401-1	**Organizational workforce in headcount and Employee Turnover**							
401-1_A_c2	Number of employees at the end of the Reporting Period (Legal staff)	87,438	92,438	81,917	90%	---	92%	---
401-1_A_b1	Females at the end of the Reporting Period (Legal staff)	25,505	25,023	22,190	90%	---	92%	---
401-1_A_b2	Males at the end of the Reporting Period (Legal staff)	61,933	67,415	59,727	90%	---	92%	---

GRI Standard Code	KPI Name	2017 GROUP	2016 GROUP	2015 GROUP	2017 PERIMETER Per employee	2017 PERIMETER Per revenue	2016 PERIMETER Per employee	2016 PERIMETER Per revenue
	Employee Turnover							
401-1_B_c1	Number of employees leaving employment during the Reporting Period	13,527	15,564	13,838	90%	---	92%	---
401-1_B_b1	Males leaving employment during the Reporting Period	9,724	11,604	10,160	90%	---	92%	---
401-1_B_b2	Females leaving employment during the Reporting Period	3,803	3,960	3,678	90%	---	92%	---
401-1_B_c2	Percentage of voluntary attrition	12.20%	11.52%	Not disclosed	90%	---	92%	---
102-8	**Number of employees**							
102-8	Total Employees (including supervised workers: interims + interns + subcos)	106,305	101,737	90,445	90%	---	92%	---
102-8_A_c1	Percentage of employees with a permanent contract	98.50%	98.80%	98.23%	90%	---	92%	---
102-8_A1	Males with a permanent contract	61,010	66,637	58,718	90%	---	92%	---
102-8_A3	Females with a permanent contract	25,113	24,696	21,748	90%	---	92%	---
102-8_A_c2	Percentage of employees with a temporary contract	1.50%	1.20%	1.77%	90%	---	92%	---
102-8_A2	Males with a temporary contract	923	778	1,009	90%	---	92%	---
102-8_A4	Females with a temporary contract	392	327	442	90%	---	92%	---
102-8_A_c3	Percentage of employees in Full Time working	94.56%	94.30%	91.98%	88%	---	83%	---
102-8_B2	Number of male in full time employment	59,428	58,530	55,868	88%	---	83%	---
102-8_B4	Number of female in full time employment	21,627	20,136	18,147	88%	---	83%	---
102-8_A_c4	Percentage of employees in Part Time working	5.44%	5.70%	8.02%	88%	---	83%	---
102-8_B1	Number of male in part time employment	1,819	1,926	2,850	88%	---	83%	---
102-8_B3	Number of female in part time employment	2,845	2,825	3,601	88%	---	83%	---
405-1	**Diversity and Equal Opportunity**							
405-1_B_c3	Number of nationalities within Atos	143	143	134	90%	---	92%	---
405-1_B_c4	Percentage of females within Atos	29.17%	27.07%	27.09%	90%	---	92%	---
405-1_B_b1	Disabled employees	1,507	1,227	1,257	96%	---	72%	---
405-1_B_c1	Percentage of disabled people	1.62%	1.26%	1.53%	96%	---	72%	---
405-1_B_b0	Female ratio within the top management team	17.21%	16.54%	15.16%	90%	---	92%	---
405-1_c12	Percentage of women that had promotions during the year	13.33%	17.25%	16.87%	73%	---	57%	---
405-1_c13	Percentage of men that had promotions during the year	11.73%	15.63%	16.94%	73%	---	57%	---
405-1_c14	Percentage of women identified in talents pool	27.43%	27%	Not disclosed	68%	---	---	---
405-1_c15	Percentage of women in Excom	11.60%	Not disclosed	Not disclosed	90%	---	---	---
405-2	**Salary rate between men and women**							
405-2_A_c1	General ratio woman/men in Annual Basic Salary within the Atos´ job families	0.80	0.78	0.74	89%	---	84%	---
405-2_A_c2	General ratio woman/men in Total Remuneration within the Atos´ job families	0.78	0.77	0.73	89%	---	84%	---
A6	**Diversity Perception (GPTW)**							
A6_c4	People here are treated fairly regardless of their age	66%	65%	61%	59%	---	56%	---
A6_c5	People here are treated fairly regardless of their gender	83%	77%	75%	59%	---	56%	---
A6_c6	People here are treated fairly regardless of their race or ethnicity	78%	81%	80%	59%	---	56%	---
A6_c7	People here are treated fairly regardless of their sexual orientation	82%	80%	79%	59%	---	56%	---
A6_c8	People here are treated fairly regardless of disability	81%	77%	76%	59%	---	56%	---
A6_c9	Average on Diversity Perception (GPTW survey questions)	78%	76%	74%	59%	---	56%	---
A16	**Lost working days / Absenteeism rate**							
A16_B	Global absenteeism rate	2.33%	2.53%	2.79%	62%	---	59%	---
A16_A_b3	Number of staff seriously injured work related	266	243	228	100%	---	100%	---
A16_A_b4	Number of Atos staff´s dead work related	1	1	0	100%	---	100%	---
A2	**Employee Satisfaction**							
A2_A	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	56,712	56,458	50,576	59%	---	56%	---

		2017	2016	2015	2017 PERIMETER		2016 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
A2_B	Percentage of Responses to Great Place to Work surveys (Average of Response rate)	60%	63%	63%	59%	---	56%	---
A2_C	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	49%	50%	52%	59%	---	56%	---
A2_D	Atos Trust Index® informed by Great Place to Work (GPTW)	54%	54%	56%	59%	---	56%	---
201-3	**Coverage of the organization's defined benefit plan obligations**	**Qualitative**	**Qualitative**					
401-2	**Benefits to employees**							
401-2_A_C15	Percentage of Permanent employees participating in Death Benefits	90%	94%	94%	88%	---	69%	---
401-2_A_C16	Percentage of Temporary employees participating in Death Benefits	81%	73%	79%	88%	---	69%	---
401-2_A_C17	Percentage of Permanent employees participating in Disability benefits	84%	88%	89%	88%	---	69%	---
401-2_A_C18	Percentage of Temporary employees participating in Disability benefits	36%	61%	70%	88%	---	69%	---
401-2_A_C19	Percentage of Permanent employees participating in Health Care	92%	93%	82%	88%	---	69%	---
401-2_A_C20	Percentage of Temporary employees participating in Health Care	83%	68%	70%	88%	---	69%	---
401-3	**Return to work and retention rates after parental leave**							
401-3_A_c1	Total number of employees that were entitled to parental leave	185	198	228	14%	---	8.18%	---
401-3_B	Total number of employees that took parental leave	241	305	380	14%	---	8.18%	---
401-3_C	Total number of employees who returned to work after parental leave ended	28	40	37	14%	---	8.18%	---
401-3_D	Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	85.71%	93.10%	62.16%	14%	---	8.18%	---
102-41	**Collective bargaining coverage**							
102-41_A_c2	Percentage of employees covered by collective bargaining agreements	60%	54%	66%	99%	---	90%	---
A11	**Collaborative technologies development (Zero mail)**							
A11_c1	Percentage of active users	45%	24%	30%	100%	---	100%	---
A11_c2	Percentage of active Communities	27%	23%	29%	100%	---	100%	---
A11_b1	Number of active users in collaborative working and digital tools	44,879	23,880	24,620	100%	---	100%	---
A11_b3	Number of active communities	2,358	1,847	2,480	100%	---	100%	---

404-1: excludes Germany and Corporate Germany, part of Worldline and part of Unify.

404-3_A_c2 and 404-3_A_c3: excludes Germany and Corporate Germany, Austria and WL Austria, Greece, IMAKUMO, Digital River, ENGAGE ESM, First Data Baltics, employees with GCM 0, and other exclusions.

401-3: includes only France.

A11_c1 and A11_b1: They have a different scope than in 2016: In 2017 they include Circuit and blueKiwi and in 2016 only blueKiwi was included.

D.3 Generating value with co-innovation and sustainable business solutions

D.3.1 Meeting client needs and expectations

[GRI 102-43]

D.3.1.1 Permanent improvement of the clients satisfaction

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

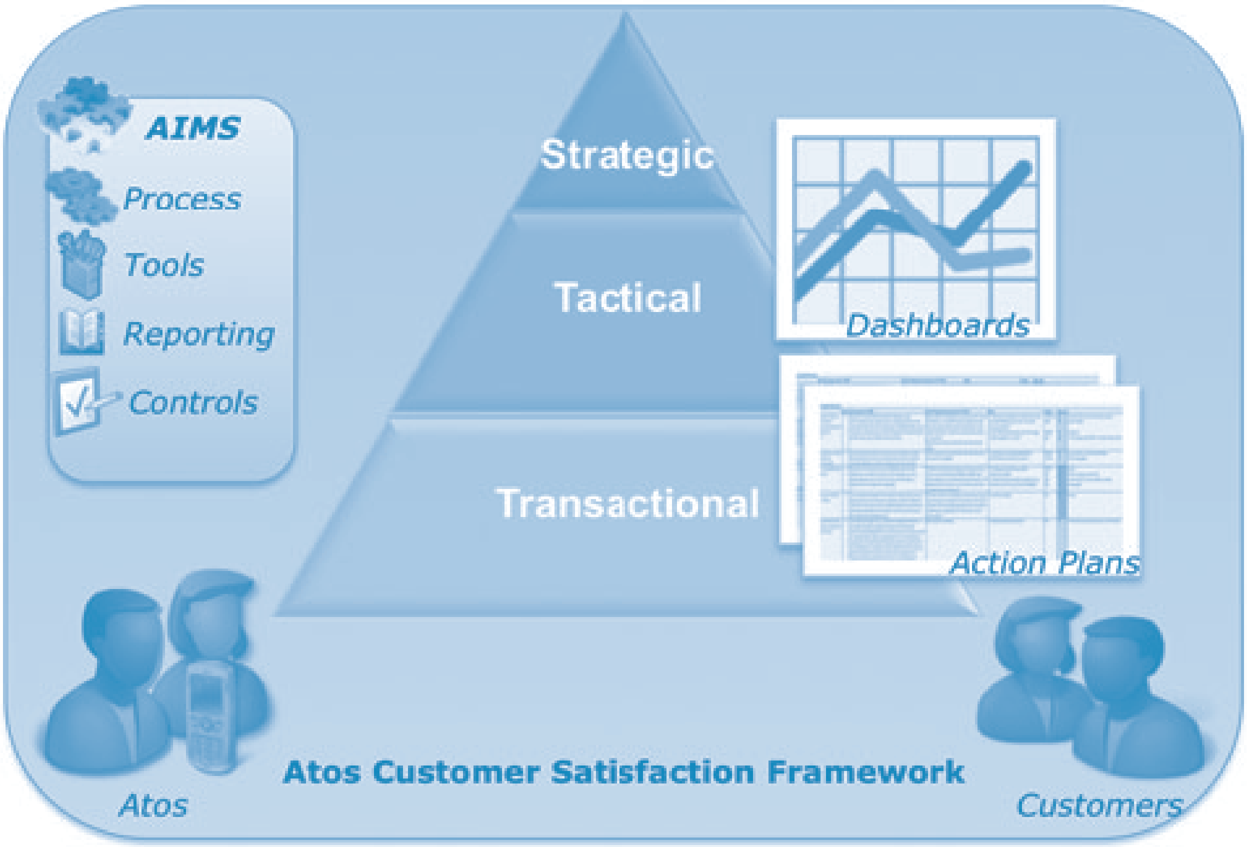
Improving client experience and associated satisfaction is the n°1 objective of Atos' quality policy and the primary focus of Atos Quality Steering Committee, chaired every 2 months by the SEVP Global Operations.

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

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

A comprehensive improvement loop is built from three layers of survey engine client feedback to drive action plans accordingly as described below. It links strategic, tactical and transactional client engagement, experience and satisfaction feedback with cascading action plans to continuously improve and maintain high levels of client experience and satisfaction. This 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 improve client interactions, and continuous improvement on the "shop floor" transactional operations.

Atos' three-layered satisfaction survey process and the improvement framework are represented as follows:



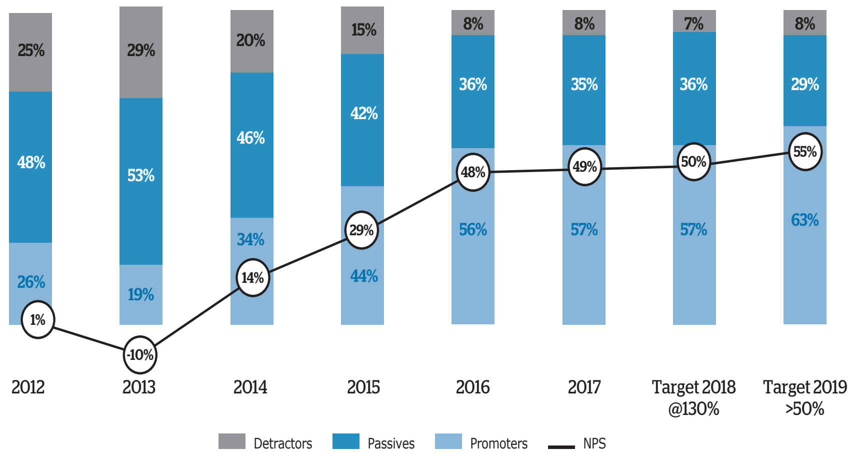
The strategic surveys are handled by Atos executive representatives (management / sales) and encompass Atos' top accounts through face to face interviews.

The tactical surveys are driven by the Divisions and obtain feedback at contract level from the client teams related to Atos services, project deliverables, and overall performance.

For large accounts serviced by Atos, immediate feedback is solicited from the end-users at the end of a service request. This allows monitoring of service performance perception, impacting daily operations.

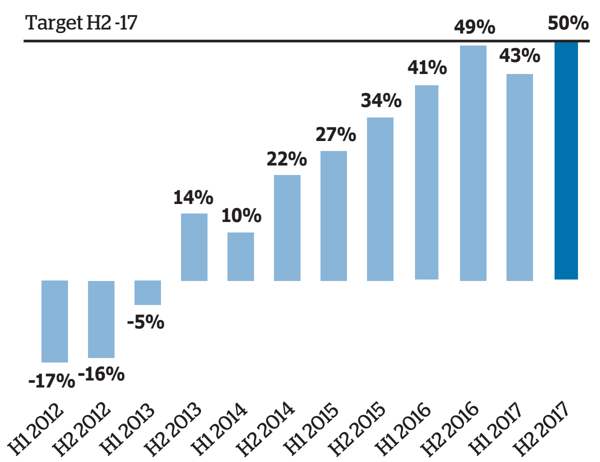
The overall improvement loops, associated tools, specific workshops, and cookbooks on repetitive situations are described in Atos' global customer experience framework. The program is driven by Group quality in conjunction with sales operations and client executives. It is driven within the Divisions' quality customer experience team for the tactical surveys and associated improvement loops. Progress and feedback tracking are part of account quarterly reviews and of divisional monthly reviews.

At Strategic level, Atos' 3-year plan for 2017/2019 aims to reach and sustain an overall Net Promoter Score (NPS) above 50% while enlarging the Clients base engaged in this process from 65% today (excluding UCC) to more than 80% of the External Revenues as shown below:



With 6 years of data, Atos displays a positive trend and confirmed effectiveness of the first phase of the Satisfaction management Program across the Infrastructure & Data management Division.

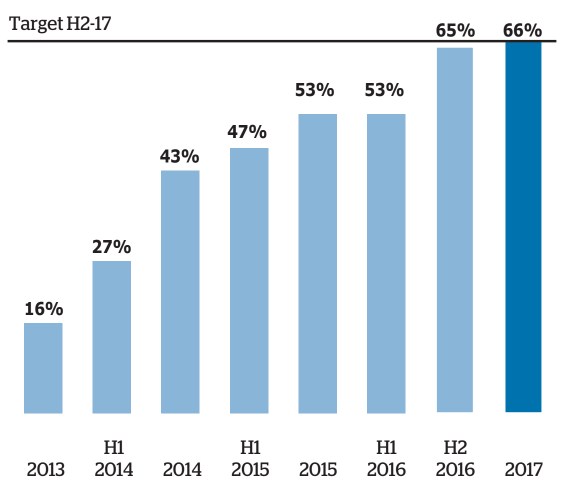
NET PROMOTER SCORE FOR INFRASTRUCTURE & DATA MANAGEMENT



Atos identifies a similar trend for the Business & Platform Solutions Division.

NET PROMOTER SCORE FOR BUSINESS & PLATFORM SOLUTIONS

The results from the past 6 years confirm the position that the customer experience improvement process is a key contributor to sustaining Atos' business.



The results from the past 6 years confirm the position that the customer experience improvement process is a key contributor to sustaining Atos' business.

During 2017, Atos integrated its newly acquired businesses as part of this process, and continued to build the core components of the second phase: "Driving loyalty, thanks to satisfaction, trust, service behaviors, and value delivered" going one step further to embedding loyalty drivers in Group account management.

D.3.1.2 Client delivery capability

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' divisions. 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-site certification covering 95%+ of Atos activities and locations worldwide for ISO 9001 and 27001 (Security), as well as services activities for ISO 20000; Atos can add beginning in 2018 the multi-site certification program for ISO 14001;
- Atos Controls continual assessment program ensures that process control points are systematically implemented.

D.3.2 Building client trust through Security and Data Protection

D.3.2.1 Security Policy

A comprehensive approach to the protection of assets

Atos Group security organization has a comprehensive set of 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.

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.

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

Security management system, organization and governance

Atos' Information Security management System (ISMS), built in 2001, is mandated across all Atos legal entities. The Security organization manages the continuous improvement cycle required by the ISO 27001 certification. 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 is 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.

Building on the work performed to the end of 2017, Group Security have been consolidating and improving:

- tracking of decisions and actions related to security;
- collation of security events and incidents of global interest and implementing a lessons learnt process;
- the management of Group Internet facing networks and assets by amongst other things, weekly vulnerability scans and prompt rectification of issues identified;
- the management of Group Security project initiatives by the inauguration of a Project management Office led by a senior Project Management Director;

- staff awareness and response to Phishing attacks, in the light of worldwide reports in the press of Cyber-attacks on other organisations during 2017;
- the Information Security management System to assist with progressing to a Tier One Security organization.

The Group's main certifications regarding security include: ISO 27001, ISAE 3402 and PCI/DSS for "Worldline" (payments industry) and a selection of Atos data centers which house customer payment systems.

Security key performance indicators and reporting

The following list is the Key Performance Indicators reported on in section A3:

- percentage of employees who successfully completed the safety & security e-learning;
- percentage of employees who successfully completed the data protection e-learning;
- percentage of open security incidents V closed;
- percentage of compliance to Malicious Code prevention;
- percentage coverage of ISO 27001.

From a security performance management perspective, Atos is monitoring the deployment of ISO 27001 at all the Atos business activities.

In 2017, the External Certifier (Ernst and Young) audited a total of 18 locations in the GBUs: Asia Pacific, Benelux and The Nordics, Central and East Europe, France, GDC (Rumania), Germany, Iberia, Middle East and Africa, North America, Spain and The United Kingdom and Ireland for selected Divisions at each location. Atos performed 121 internal audits at further sites.

D.3.2.2 Protecting personal data in a data driven world

[GRI 102-13] [GRI 103-1 Customer privacy]

Stating that collecting, managing, exploiting, exchanging – in a single word, processing – data is crucial to the growth and development of the economy and companies has become the obvious. Amongst the data processed, personal data (or personally identifiable information, depending on the region of the world) has grown to become the main focus of attention of the public, media, and regulators.

Atos had anticipated this evolution of the world and, for many years has positioned itself as a pioneer on the market with regards to its approach to the protection of personal data. Indeed, Atos' commitment to the protection of personal data is long-standing and publicly known.

2017 has marked a new step both for the market and for Atos in the field of data protection. Indeed, the topic has generated increased attention and concern for companies globally mainly because of the challenges and opportunities brought by the approaching entry into force of the European General Data Protection Regulation (GDPR). This text, which will become enforceable in May 2018, constitutes a significant evolution of one of the most stringent data protection frameworks in the world and has a significant strategic impact which Atos has factored into its operations, given its particular status as IT services provider.

Indeed, Atos is both a data controller and a data processor, meaning that it processes personal data for its own defined purposes but also on behalf of its clients, following their instructions.

Accordingly, Atos has completely reviewed its organizational measures and the structuration of a number of its processes to address the requirements of the GDPR with several angles of approach, namely increased customer intimacy, improved quality and therefore customer satisfaction (e.g. through the improved collection and implementation of customer instructions), risk evaluation and management perspective (e.g. through risk assessments and data protection impact assessments), internal compliance and improved policy and documentation management, etc.

This approach is fully supported by the Atos Top management both at global and at local level. Indeed, awareness sessions have been provided to identify the risks and opportunities associated with the implementation and anticipated enforcement of the legislation. In this respect, the Atos Top management has identified the potential the GDPR requirements unlock both for Atos and its clients and has launched a concerted effort with all its divisions to support Atos clients with their compliance efforts.

Atos' existing commitments towards its employees and clients therefore remain strong as well as its involvement and support by the development and offering of operational tools and innovative services and offerings designed to ensure strong levels of protection to individuals but also favoring compliant business practices.

To support this renewed commitment and approach, Atos has maintained a strong community focused on data protection topics, which will continue to grow through time allocation and training. 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 are allocated to the management of the topic. This organization 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 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 2017, 93% of Atos employees completed successfully this Data Protection e-learning [A3].

Further trainings are being developed to ensure dedicated sessions for those members of the organization who are in a position to process personal data on a daily context.

Finally the deployment and use of practical and effective tools such as Privacy Impact Assessments (now renamed Compliance Assessments of Data Processing (CADP) to avoid confusion with other GDPR required 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. To improve the efficiency of such tools, Atos has initiated the systematization, digitization and automation of certain of the tools and functions which are required to achieve a significant level of compliance with the GDPR and which it had already been implemented and have proved to be of significant use and relevance in the daily operations (Privacy Impact Assessments, registers of processing activities, etc.).

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 2017, Atos did not receive any complaint regarding breaches for customer privacy [GRI 418-1].

D.3.3 Innovative approach of sustainable business

The Customer 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 delivered 290 workshops in 2017, as last year [A10].

Customer Innovation Workshops are promoted by the Global Sales & Markets among Atos Top clients with the support of the Scientific Community and our network of Business Technology and Innovation Centers (BTIC). The objectives of these workshops are to demonstrate Atos thought leadership, develop innovation awareness, co-create cutting-edge proofs of concepts with customers and position the Group as a strategic innovation partner for its clients.

The Strathack is a tool designed by Atos to bring answer customers' strategic issues, leveraging on the full potential of digital technologies. It is about identifying a customer challenge, then co-imagining and co-developing an innovative solution in workshops. This approach deeply relies on the collective intelligence of a purposefully designed eco-system to solve the issue raised. It brings together client' and Atos' executive levels members, members of the Atos Scientific Community and experts. These co-creation workshops mobilize the highest level of decision makers of both companies to bring concrete solutions able to solve the issues. These executive meeting provide the required value to design the core components of the future transformation.

Launched in United Kingdom, this tool is progressively expending in major Atos' geographies.

Mobilize worldwide talents on the digital shockwaves in business

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 start-ups into the Atos ecosystem or mobilizing the digital potential of youth is a considerable asset. This allows the detection of digital talents and accelerates their development, and also fuels the Group offerings with the creative ideas. Digital innovation abounds in all the countries where the Group operates. Atos' approach is to identify them and support their development, setting up collaboration that will produce innovative solutions and services. In the same manner, Atos organizes, since 2012, the annual IT Challenge, an international student competition dedicated to technological innovation, accessible to all universities in the world. The objective is to detect, reward, and support the best 3 to 5 ideas.

The 2017 IT Challenge was dedicated to blockchain technology. The IT Challenge 2018 will be about improving tomorrow's services with Chatbots and AI (Artificial Intelligence). In the previous editions Atos covered the following innovative themes: The Right to Be Forgotten, Connected Living, Rio 2016 Olympic and Paralympic Games, Connected Cars and Smart Mobility.

D.3.4 Meeting sustainability challenges of clients through offerings

[GRI 203-1] [GRI 103-1 Indirect economic impacts]

Digital solutions are an enabler to meet sustainability challenges. They help clients to solve their own CSR challenges and to reach their objectives in domains such as Environment and Climate Change, Social Progress and Citizen Comfort, Research and Education, Security and Governance (Ethic trust and compliance) and Economic Development (business performance). Atos' ambition is to make the value added more tangible to the customer, in order to fully benefit from it.

Atos CSR principles are totally embedded in Atos strategy, with internal medium-term extra-financial objectives, with innovative solutions enabling more sustainability, and also with a collective intelligence supported by a worldwide outstanding ecosystem. This vision is at the heart of the Atos Digital Transformation Factory.

To concretely value the role of its digital solutions in sustainability issues, 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 offer is screened against a detailed of 24 criteria, supported by 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 A7.

D.3.4.1 Digital Transformation Factory

[A12]

To accompany all customers in their digital transformation and the massive "data-ization" of their businesses in a secured cyberspace, Atos has designed a Digital Transformation Factory based on four high growth pillars: *Atos Canopy Orchestrated Hybrid Cloud*, *Atos Digital Workplace*, *SAP HANA by Atos*, and cognitive solutions with *Atos Codex* to transform data into business value, while continuing to enhance the state of the art Cybersecurity technologies across all Atos offerings.

The Atos Digital Transformation Factory offers clients an accelerated journey to embracing digital. It is designed to help clients driving an end-to-end transformation, getting the best of digital Innovation at each stage of the path. This platform plays a decisive role in addressing sustainable issues, relying of each pillar to bring a part of the solutions.

This platform plays a decisive role in solving problems of sustainability challenges, because it is able to adjust to the breadth of the issues (climate, pollution, resources, security, data-privacy...), to provide a global scale solution, with an end-to-end approach. The complementarity of the pillars associated with the capacity to treat the entire digital chain makes it an essential solution to bring solutions to the sustainable challenges of clients and the society at large.

D.3.4.2 Green IT

The Atos's ambition is to support its clients to meeting their main business challenges, including sustainability performance. Largest part of digital solutions designed and implemented by Atos, is contributing to solve major sustainability issues.

To make it tangible, Atos is measuring the contribution of its mains strategic solutions to sustainability. The objective is not only to evaluate the role of digital in solving sustainable challenges in the world, but also to estimate its contribution to the sustainable performance of its clients.

In this respect, Atos applies stringent criteria to the four pillars of the Digital Transformation Factory and carry-out a detailed analysis per domain (Climate and environment, Social impact and human well-being, Economic development, Governance - including ethics, trust and compliance). The chosen criteria are cross-matched with the 17 sustainable development Goals of United Nations, and are also fully consistent with the recommendations of the Global Reporting Initiative and OECD. The objective is about providing an estimated business value of Atos's commitment in sustainable challenges, supported by a formal process of evaluation. The information is communicated through the KPI A7.

In addition, Atos is continuously innovating to develop products and services designed to meet a high level of energy performance (green smart data-centers, low carbon hosting services, eco-designed and energy efficient high performance computers), helping clients and society to meet social and environmental challenges.

D.3.5 Shape the future with business partners and ecosystem

[GRI 102-49] [GRI 203-1]

Beyond reliable and powerful technologies, clients are expected to get innovative solutions to enhance their performance and competitiveness. Considering the pace of digital innovation, the capacity to mobilize a collective intelligence becomes crucial. This is why Atos is continuously building an outstanding ecosystem able to impulse open-innovation. This ecosystem is made of internal and external competences. On one side, Atos is investing in Research and Innovation, developing centers of expertise, leading international contests, developing Business Innovation &Technology Centers, leveraging on its Scientific Community. On the other side, Atos is closely collaborating with partners, startups and academics for instance.

D.3.5.1 A trusted network of technological partners

Atos has developed a unique network of technological partners (Siemens, Dell-EMC) ensuring the delivery of world-class solutions, skills and know-hows. The Atos ecosystem of partners described in section C.6.2 contributes to acceleration of sustainability performance within the Group offerings. It helps to comply with sustainability requirements and gain competitive advantage through operational efficiency, worldwide capacity, digital security, mobility and reputation.

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 providing real and tangible business benefits to clients across almost all markets and sectors. Strategic Alliances including Siemens, Dell Technologies, SAP, and Microsoft are part of this approach.

SAP and Atos expertise support sustainability challenges

Atos has end-to-end expertise in SAP-driven solutions strengthened by its 32-year partnership with SAP. Leveraging a team of 12,950 experts in more than 40 countries and the experience gained in supporting more than 3 million SAP users, it delivers a full range of solutions to clients across a range of markets. Atos has delivered one of the largest SAP HANA deployments to date using its best-in-class bullion™ appliances, with end-to-end delivery and operation.

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 2017, Atos and SAP strengthened their Global Partnership by further developing the portfolio of solutions and building a stronger governance of the relationship between the two firms.

In 2017, Atos has been identified as a Leader in Nelson Hall's NEAT vendor evaluation for SAP HANA and S/4HANA Services Worldwide.

In May 2017, Atos announced the launch of *Atos Canopy Orchestrated Hybrid Cloud* for SAP, a new range of cloud Managed Services for SAP environments, including SAP HANA. This new solution can be used over multiple clouds to host cloud-based SAP applications in a fully hybrid cloud environment.

Atos & Siemens, accelerating the future

Atos and Siemens share a strategic vision in digital transformation in the context of a partnership of mutual trust since 2011.

In 2017, the on-going joint innovation and investment Global Alliance roadmap 2020 has led Atos to develop digital customer services for MindSphere, the cloud-based open IoT operating system from Siemens that enables customers to connect their machines and physical infrastructure to the digital world. With MindSphere, businesses can harness big data from connected devices to uncover transformational insights and create new value, such as optimizing assets or guaranteeing availability. Adding end-to-end IoT services such as *Atos Codex* for MindSphere which includes consulting, integration, hosting and app development makes the platform the ideal basis for building integrated and secure customer-specific solutions.

Together both companies have already realized projects for several customers in Industry and Manufacturing where MindSphere is key for their Digitalization, while developing new digital use cases for various verticals worldwide like Food & Beverage or Transportation.

With the ambition to further accelerate their business collaboration which continues over-achieving the expectations by far, - Siemens and Atos have achieved a joint order intake of more than € 1.7 billion based on joint customers – both groups have decided to eXpand the next level of their digital collaboration in new topics like cyber security, Public safety, smart cities, and countries (Africa, and Middle east).

Using their joint investment fund of € 230 million as well as their advanced R&D capabilities, Atos and Siemens will further enhance these services especially in the fields of data analytics, cognitive computing and artificial intelligence for the benefit of theirs customers and partners.

Atos and Dell Technologies

The Enhanced Alliance between Atos and Dell Technologies is built on:

- joint investments to develop an extensive portfolio of services;
- an extensive training & certification program (Atos has 5000+ trained experts on Dell Technologies products);
- dedicated joint resources, an integrated cross-company team;
- a governance at top Executive level.

Benefits to Customers are:

- more and faster innovation with access to Dell Technologies $ 5 billion R&D yearly investment;
- end-to-end commitment and accountability;
- faster time to issue resolution;
- less cost of complexity.

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

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.

Atos and Dell Technologies have co-engineered best in class service solutions to help customers leverage the most innovative technologies. In the area of Digital Workplace, Atos solutions are leveraging Dell EMC technologies such as ECS, XtremIO, VNX, Dell Wyse Thin Client, and VMWare technologies such as Horizon, Workplace ONE, Airwatch. *Atos Orchestrated Hybrid Cloud* solutions are leveraging Dell EMC technologies such as EHC Block, VMAX, VNX, Isilon, DataDomain and VMWare technologies such as vRealize.

In May 2017, Atos and Dell EMC announced to be working together to build *Atos Codex* IoT Services, an IoT service management framework to allow customers to be always in control and to be assured that all users can continuously create value from their connected devices. The *Atos Codex* IoT Services framework will contain a catalogue of services including management of devices, connectivity, data and storage, change and release control, incident management, service desk and support, and the operations to increase resilience against failures or disturbances. These services will be delivered with user-defined service levels, including the necessary security measures for access management and data encryption. The framework also defines an architecture blueprint, containing hardware and software solutions from Dell EMC as well as software solutions and integration services from Atos.

In May 2017, at Dell EMC World in Las Vegas, Atos was named Dell EMC Cloud Service Provider of the Year and Dell EMC Global Alliance Partner of the Year.

In August 2017, Atos and Dell EMC have announced a new reseller agreement in which Dell EMC will resell Atos' high-end 8 to 16 sockets x86 Bullion servers.

In September 2017, Atos has announced the creation of a multi-vendor alliance with Dell EMC, VMWare, Intel, Juniper Networks, and Red Hat to accelerate the delivery of value from NFV (Network Functions Virtualisation). This solution is leveraging Dell EMC PowerEdge servers and VMware vCloud NFV™ platform.

Atos & Microsoft

Atos and Microsoft have been partners for over 20 years, and Atos is a "Microsoft Gold Partner", with over 7,800 Microsoft certifications.

In 2017, Atos and Microsoft have decided to bring to the next level their partnership to support customers' adoption of Microsoft Office 365 and migration to the Cloud leveraging Microsoft Azure.

In July 2017 Atos announced the launch of *Atos Canopy Orchestrated Hybrid Cloud* for Microsoft Azure Stack, a fully integrated hybrid cloud service, powered by the DELL EMC Cloud for Microsoft Azure Stack hybrid cloud platform. The new solution is a complete end-to-end Cloud offering, bringing together the combined experience from Atos, Dell EMC and Microsoft to make it easier for businesses to manage workloads and build and share cloud-native applications across both private and public clouds.

Atos now has a full portfolio of services leveraging Microsoft technologies including SAP HANA on Azure, *Codex* Analytics Fabric on Azure, Atos Cloud Foundry on Azure, Managed public cloud Azure, Cloudification to Azure.

D.3.5.2 Accelerate open innovation with start-up economy

One of the Atos's strengths is its ability to leverage on the worldwide startup economy to design unique solutions for its client. Since few years, the role of startups becomes essential to inspire large corporates companies and help them to stay ahead the pace of innovation. In addition, collaborating with young entrepreneurs rejuvenate collaborators' mindset, contributing to nurture their thoughts and enabling them to imagine pioneering solutions for their clients.

Joining their respective strengths, startups and Atos benefit all together from this close relationship. Atos incorporates last innovative technologies and fresh outlook in solutions meeting clients' expectations while the startup takes advantage of business acceleration, customers' visibility and worldwide footprint.

In 2017, Atos set many partnerships with startups showing its ability to identify worldwide the best of breed technologies to design innovative solutions for its clients. The relationship can take the form of equity shares or joint business solution. The domains of cooperation are covering multiple domains and technologies like fin-tech, energy efficiency, artificial intelligence, security or block-chain for instance.

D.3.6 Generating value with co-innovation and innovative business solutions – KPI overview

[GRI 103-3 Customer privacy]

		2017	2016	2015	2017 PERIMETER		2016 PERIMETER	
GRI Standard code	**KPI Name**	**GROUP**	**GROUP**	**GROUP**	**Per employee**	**Per revenue**	**Per employee**	**Per revenue**
102-43; 102-44	**Customer satisfaction survey**							
102-43; 102-44	Group Overall Customer Satisfaction (all clients part of strategic survey)	8.4	7.9	7.7	---	100%	---	100%
102-43 ; 102-44	Net Promoter Score for our Top client surveys	48%	48%	Not disclosed	---	100%	---	100%
A10	**Initiatives regarding innovative services / product developments**							
A10_c1	Customer innovation workshops delivered in GBUs	290	290	264	---	100%	---	100%
203-1	**Development and impact of infrastructure investments and services supported**	**Qualitative**	**Qualitative**					
418-1	**Customer complaints**							
418-1_A1	Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action	0	0	0	---	100%	---	100%
A3	**Data Security Incidents**							
A3_c2	Percentage of Open Security Incidents open vs closed	0.67%	1.54%	27.87%	100%	---	100%	---
A3_c3	Percentage of employees who successfully performed the Safety & Security E-learning	92%	89%	71%	90%	---	90%	---
A3_c4	Percentage of employees who successfully performed the Data Protection E-learning	93%	89%	38%	90%	---	90%	---
A3_c5	Percentage of compliance to malicious code prevention	99.20%	Not disclosed	Not disclosed	100%	---	100%	---
A3_c9	Percentage of coverage of ISO 27001 certifications	100%	100%	100%	100%	---	100%	---
A12	**Business partners & ecosystem**							
A12_c1	Digital transformation factory revenue (M Eur)	2,958	1,500	Not disclosed	---	100%	---	100%
A12_c2	Share of revenue of Digital Transformation Factory and innovation offerings	23%	12.96%	Not disclosed	---	100%	---	100%
A7	**Sustainable technologies and solutions**							
A7_total	Total Revenue of "sustainability offering" (M Eur)	2,755	1,670	Not disclosed	---	100%	---	100%
A7_c2	Percentage of revenue produced by sustainability offerings out of the total Atos revenue	22%	14.42%	Not disclosed	---	100%	---	100%
302-5	**Reductions in energy requirements of products and services**							
302-5_A	Global estimated average PUE for strategic Data Centers	1.60	1.62	1.64	---	100%	---	100%
305-5	**GHG emissions offsetting program**							
305-5_A_c3	Offsetting of all data centers GHG emissions (%)	100%	100%	100%	---	100%	---	100%
A19	**Waste Electrical and Electronic Equipment (WEEE)**							
A19_A9_b3	WEEE collected or recovered (Kg)	380,955	325,735	457,546	---	50.87%	---	69.90%
A19_A2_b3	WEEE professionally disposed (Kg)	378,437	325,619	446,079	---	50.87%	---	69.90%

A3: the e-learning excludes Germany.

D.4 Ethical & Governance excellence in Atos' sphere of influence

D.4.1 Corporate governance

Atos has put in place a strong corporate governance, following the best standards but also by innovating on several dimensions.

All initiatives related to corporate governance are explained in section G. of the Registration Document.

D.4.2 Ethics and Compliance Program

[GRI 103-1 Anti-corruption] [GRI 103-1 Compliance] [GRI 419-1] [GRI 103-1 Socio-economic compliance]

Tone from the Top and Ethics & Compliance Governance

In order to match latest ethics and compliance challenges raised by Atos activities throughout the world, the Group Executive Committee decided on April 27, 2017 to update and improve its ethics and compliance organization with the following objectives:

- set up an agile Atos compliance governance to meet fast changing regulations requirements as well as new activities;
- enhance Atos local entities ethics and compliance organization matching their operational risks and culture;
- reinforce the "tone from the top" and management involvement in ethics and compliance matters.

Following the Group Executive Committee and to embrace its new objectives, Group Compliance validated a new Global Ethics & Compliance Policy on September 15, 2017. Pursuant to this policy, Atos Ethics and Compliance global organization is managed by a Global Compliance department, headed by Atos Chief Compliance Officer who reports to Atos Group Executive Committee, chaired by Atos Chief Executive Officer.

Atos Group Executive Committee is tasked with determining the direction and priorities of the ethics and compliance actions plan, allocating the necessary resources and monitoring, on a yearly basis, with a quarterly report.

Atos Global Compliance department's defines Atos compliance strategy, supports local Compliance Officers, launches, leads or supports investigations, consolidates and ensures global consistency of Atos compliance activities, and ensures that the Atos Global Ethics & Compliance Policy is implemented appropriately within global and local entities.

Atos management at the forefront of compliance

The Global Ethics & Compliance Policy defines in 17 pages Atos CEO's objectives in the following key compliance matters: competition law, corruption, controls on exports of military and dual-use goods, data protection, human rights, international sanctions, money laundering and terrorist financing, conflicts of interest, fraud, safe and ethical workplace.

Per the policy, Atos Divisions and functions entities CEO's are responsible for Atos Entities Compliance's organization. They defend and promote Atos Group's values and lead by example in terms of business integrity, appoint a Compliance Officer and ensure that (s)he has the qualifications, resources and powers to perform its duties, control that Atos Ethics & Compliance Global Policy is fully implemented within their entities and that all of its employees know and respect Atos Code of Ethics. The local entities' CEOs have appointed during 2017 Compliance Officers to support them in this task.

Local Compliance Officers define and foster a practical compliance, close to business realities, and easily accessible to all employees. They are expected to sit at entities Executive Committees on a regular basis to draw attention of executives on compliance risks and duties, raise potential issues, and support top managers in fostering business integrity culture within their entities. They elaborate entities compliance risk mapping, develop mitigation action plans accordingly, manage compliance and ethics alerts including performing investigations as independent body, and report to local Executive Committees and Global Compliance department.

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 Director. The Code has been attached to all employment contracts concluded as from January 1, 2011, and demonstrates promotion of ethical excellence at the highest level of Atos Group (detailed information on the Code of Ethics in section G.5.2).

Since 2012, an Ethics Committee, composed of independent and highly respected external professionals, has been tasked to strategize on the role of ethics generally, and particularly within Atos' operations. The Ethics Committee is sponsored by the Group Chief Executive Officer and supported by the Group Chief Compliance Officer and the Group General Secretary and CSR Officer. In 2017, this Committee was consulted on the improvement of Atos Whistleblowing policy, to take into account the new legal requirements issued from French regulations Atos has to comply with.

The Atos Ethics and Compliance Policy, related processes and controls [GRI 102-16] [GRI 102-17]

Over a number of years, Atos has created a body of internal rules that aim to ensure compliance with national and international laws and regulations, in support of Atos's Code of Ethics principles relating to business integrity [GRI 205-3].

The Global Ethics & Compliance Policy together with the related procedures, guidelines and materials, forms the framework of the Atos Compliance management System designed to achieve these values throughout Atos and its operations.

Atos is continually reviewing its internal compliance rules 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. Since 2017, all audits performed on a country include audit checkpoints related to compliance risks. In 2017, internal controls were enhanced through a Compliance Officer Dashboard, which includes several actions to be put in place in connection with the compliance risks spotted at local level: this tool let Compliance Officers to monitor the progression of completion of each action.

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

In 2017, no significant fine for non-compliance with laws and regulations were levied against the Group [GRI 419-1]. No client or supplier claim related to corruption was levied against the Group [GRI 205-3].

Compliance risk management process

Atos has established a legal risk management process, fully integrated into Enterprise risk management in 2016. This risk management process consists of 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) allowing Atos entities to implement adequate remediation measures where necessary to understand how the risks identified are perceived within the organization. As integrated into 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 2017, to fit with new requirements of French "Sapin 2" law, Atos Compliance department elaborated a specific Compliance Risk Mapping which were filled out by all GBUs' and Divisions' Compliance Officers with their management, leading to a Compliance Risk Heatmap allowing Compliance Officers to identify clearly the main compliance risks within their areas of responsibility and related mitigation actions to be put in place.

In addition, the review of core compliance issues in assessing business opportunities is an important part of the overall risk assessment framework. In 2017, Atos decided to reinforce Atos country compliance approach within the business opportunities. In September 2017, Global Compliance department has combined a multi-disciplinary body composed of Legal and Compliance, Finance, Security, Insurance, Rainbow, and Internal Risks to set up a monitoring of Atos ' operations in 124 countries identified as representing a compliance risk. Atos operation in those rated countries will be closely monitored.

Due diligence and compliance risk management

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 performance of a risk analysis based on corruption, sanctions and unethical practices. Then the business partner is reviewed for approval by different approvers, according to the level of risk.

Regarding suppliers and subcontractors, some compliance checks are performed at different levels. An ongoing screening is performed on main 250 suppliers of the Group.

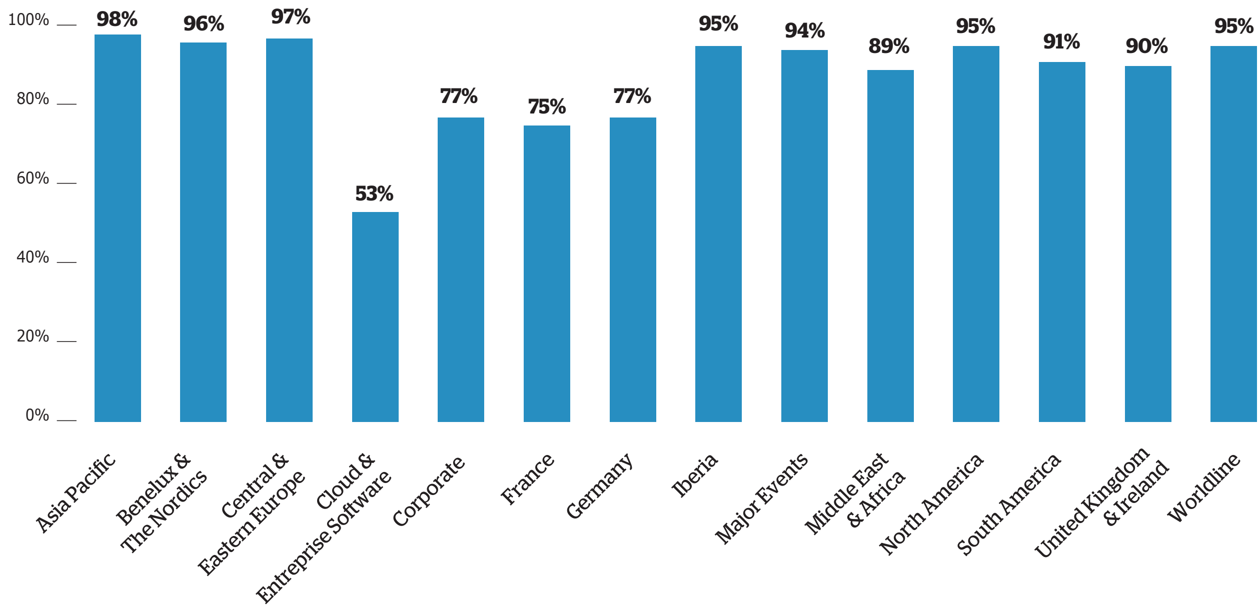
Improvement of compliance awareness
[GRI 102-16]

In March 2017, the launch of a new 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 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, or hierarchical level.

To complement the 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 Atos policies and processes which ensure compliance with these principles, and gives concrete examples of ethical behaviors of manager in their daily work.

In 2017, 91% of employees completed the e-learning on the Code of Ethics and 731 managers were trained in classroom trainings [GRI 205-2].

NUMBER OF PEOPLE WHO COMPLETED THE E-LEARNING ON THE CODE OF ETHICS IN 2017
[GRI 205-2]



Group Compliance, together with local Compliance Officers ensure that new policies, procedures or tools are appropriately communicated within the entire group, with specific communication and training sessions.

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

Improvement of Anti-corruption awareness
[GRI 205-2] [GRI 205-3]

In addition, to ensure a deeper understanding of the specific risks related to corruption, as part of CSR Ambition 2019, Atos launched in 2017 the "Fight Against Corruption" training. This training elaborated by the United Nations and available online is composed of 4 introductory messages followed by 6 modules of 5 minutes each. It allows a deep understanding of the UN Global Compact's principle against corruption and the UN Convention against Corruption as it applies to the private sector. Thus, the 6 learning modules cover:

- gifts and hospitality policy, received or given;
- facilitations payments;
- intermediaries and lobbyists;
- social investments;
- insider trading.

The objective is to ensure that all Managers of Atos will be trained by end of 2019 to this specific e-learning. Such training will also be demanded to targeted people (sales, procurement) in the countries in which a corruption risk is identified through self-assessment by the management and compliance officer or when a risk of non-compliance with internal processes has been pointed out after a country audit.

A whistleblowing procedure and internal investigations

Atos Code of Ethics, as described in Section G.5.2, 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 [GRI 102-17]. Local General Counsels, management, and Group Compliance are points of contact for any employee raising an alert, ensuring that the rights of employees, and 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 [GRI 102-33].

In the light of the Sapin 2 Law, which will come into force in 2018 regarding alert systems, a reviewed alert system will be launched in January 2018 within the entire Group. To stay under the scope of the CNIL's unique authorization "AU-004", the updated alert system will process all the matters listed within the AU-004, it will be made available to internal and external employees, as well as partners, and will be communicated individually to all employees and to a broader audience through Atos website.

The Ethics Committee was consulted on the evolution of Atos Group Alert System, in order to determine whether an externalization of the procedure is necessary or if it is believed to be best handled internally by the Group Legal Compliance Team.

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 meeting.

For 2017, 15 alerts were reported and monitored at the Group Compliance level [GRI 102-34].

Duty of Vigilance

Atos has identified in 2017 existing practices which will constitute, subject to minor adjustments, the basis of the Group vigilance plan ("plan de vigilance").

D.4.3 Ethics in the Supply Chain

[GRI 103-1 Procurement practices]

D.4.3.1 A permanent dialogue with Atos suppliers

[GRI 102-9]

Atos Global Procurement is a matrix organization divided in 3 areas both at Global and Local levels:

- global Categories;
- global Process & Development;
- business Unit Procurement departments.

These three levels are working together to ensure consistent supplier relationship management within Atos. This means the constant 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).

Atos Global Procurement has taken the lead, on the development of Purchasing with sheltered workshops ("Entreprise Adaptée" and "Etablissement et Service d'Aide par le Travail": French companies employing at least 80% of disabled people) for France. This initiative is ongoing since mid-2014 and not only in France, but also in Belgium and Spain.

In 2017, in Atos France and Worldline France, spend with sheltered workshops was € 369,000.

In Spain, thanks to the involvement of the Atos local procurement team, spend with sheltered workshops ("Centros Especiales de Empleo") has doubled compared to 2016 and was € 1,677 thousand in 2017.

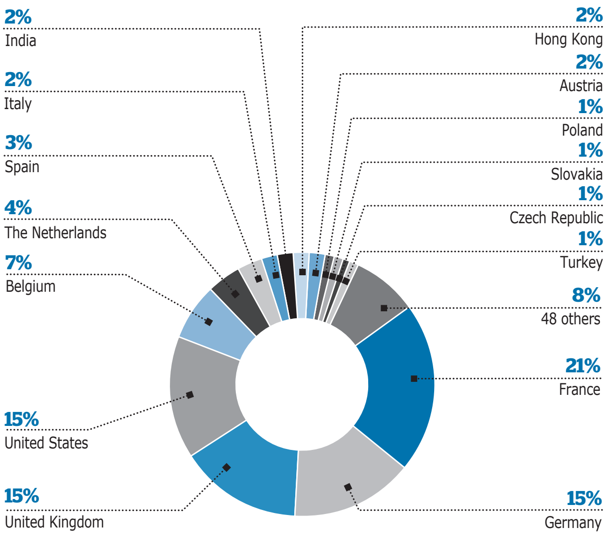
In Worldline Belgium the terminal business € 3.3 million is spent with sheltered workshops. This is the company where Atos terminals are customized and packed prior to delivery to the customers.

During 2017 three big acquisitions were fully integrated: Unify (MS CCS), Equens and Anthelio. Through these integrations the procurement organization focused on finding synergies, supplier standardization via contract novations, renegotiations 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 2017 80% was transacted with 562 suppliers (because of some small acquisitions haven't been integrated yet).

In the 63 countries where Atos Procurement is operating, 6 countries (United-Kingdom, Germany, France, Netherlands, USA and Belgium) represent 77% of spend while 50 countries represent less than 10% of the total spend. The 8 largest countries representing 82% of Atos spend are under control in terms of sustainability and all located in Europe and North-America.

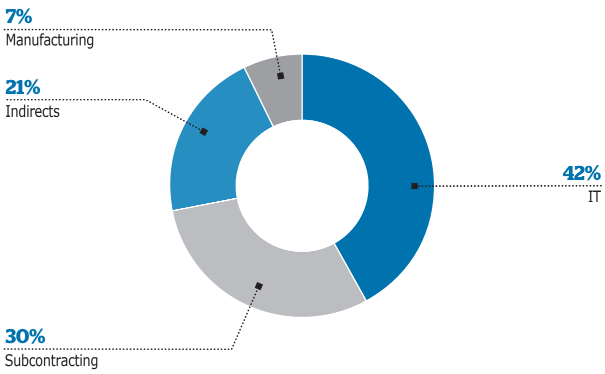
ATOS SPEND 2017 BY COUNTRY
[GRI 203-2]



Since Atos is a service company, a large part of its purchases are concentrated on people-related categories. Indeed, 30% of Atos total spend is dedicated to Staffing & subcontracting. Indirects including Facility management and Professional services, it represents 21% 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 7% 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 2017 BY CATEGORY
[GRI 102-9]



Finally, although Global Procurement team aims to centralize spend and sign global agreements with larger suppliers, 87% 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 [GRI 204-1].

D.4.3.2 Enhance Sustainable relation

[A17]

The Atos Sustainability Supplier Charter is distributed to all suppliers participating to a request for proposal process with Atos and is attached to all contracts. The charter's objective is to capture principles and actions undertaken by Atos Procurement department for Corporate and Social Responsibility. It advises Atos' suppliers to follow the principles of the UN Global Compact in the areas of human rights, labour, environment, anti-corruption and the related non-compliance clause throughout the whole contract lifecycle with Atos. If a supplier does not accept to respect the Atos Sustainability Charter because they have their own charter in place, Atos expects their charter to be at the same level in terms of principles as the Atos one. In the context of Request for Proposals, suppliers are also informed that they should respect and accept these principles as a prerequisite to be able to work with Atos. Also, they should be prepared to be assessed in depth by EcoVadis on their Corporate Responsibility performance at any time during their contract with Atos. The charter is available on the Atos website to anyone interested to learn more about the Atos sustainable procurement values.

As explained in section D.4.3.1, Atos Procurement's objective is to strengthen the relationship with strategic suppliers (Top 250) and have all of them assessed by EcoVadis on their Corporate Responsibility performance by end of 2019. Atos also encourages the suppliers to hold an assessment no older than 24 months during the Atos- supplier contract period. The EcoVadis assessments are done on four topics: Environment, Labor practices, Fair business practices and Sustainable Procurement. Suppliers are asked to answer to a detailed questionnaire about their engagement in Corporate Responsibility and required to provide documents as proof supporting their answers. After filling in the survey, a team of EcoVadis CSR experts analyses the answers and documents in detail, in order to give a global score (out of 100), and a score per topic and detailed comments including improvement schemes.

In 2017, 181 suppliers have been scored or reassessed by EcoVadis representing 54% of the total spend and 52% of our strategic suppliers [A17] [GRI 205-1]. 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 2017, Atos had a vision on 527 suppliers EcoVadis scorecards.

The average score is 53.5 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 encouraged to implement corrective action plans and to be re-evaluated after 12 months. In 2017, less than 19% 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 2018 is to continue to carry out assessments on key new suppliers from Unify, Equens and Anthelio and other planned acquisitions and to ensure that top Atos supplier are taking part in the assessment.

In 2017, Atos also has been reassessed by EcoVadis on its Corporate Responsibility performance and obtained the score 78/100, keeping up to the previous year's high standard.

D.4.4 A trusted partner for the benefits of the local ecosystem

[GRI 201-1] [GRI 203-2] [GRI 103-1 Economic performance] [GRI 103-1 Indirect economic impact]

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 2017, 1,095 employees took part in several programs worldwide. The initiatives ranged from social engagement through free IT teaching, volunteering in schools in deprived areas, delivering ICT projects, to sporting activities that help raise funds for charities.

In total, Atos has spent € 3.97 million on funding for social communities in 2017. 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) [GRI 203-1]. A total amount of € 90 million was received in financial assistance from governments in 2017 [GRI 201-4].

To find out examples of corporate citizenship's actions taken at local level, please refer to the dedicated Chapter in the 2017 Corporate Responsibility Report.

D.4.5 Ethical & Governance excellence in Atos' sphere of influence –KPI overview

[GRI 103-3 Economic performance] [GRI 103-3 Indirect economic impacts] [GRI 103-3 Procurement practices] [GRI 103-3 Anti-Corruption] [GRI 103-3 Socio-economic compliance]

		2017	2016	2015	2017 PERIMETER		2016 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
	Corporate governance							
LA12_C	Percentage of female in Governace bodies (Board of Director)	50%	45%	45%	100%	---	100%	---
102-28	Attendance rate at Board meetings	91%	Not disclosed	Not disclosed	---	100%	---	---
205-2	**Percentage of employees trained to the Code of Ethics**							
205-2_B_b1	Number of employees trained in Code of Ethics - (Elearning + Classroom)	85,609	72,584	20,286	90%	---	90%	---
205-2_D_b1	Number of management employees trained in Code of Ethics - Classroom	731	642	358	100%	---	100%	---
205-2_D_b2	Number of targeted management employees	1085	1311	830	100%	---	100%	---
205-2_D_c1	Percentage of management employees trained in Code of Ethics - Classroom	67%	49%	43%	100%	---	100%	---
205-2_E_b1	Number of employees who successfully completed the web based Code of Ethics training	84,878	71,942	19,928	90%	---	90%	---
205-2_E_c1	Percentage of employees who successfully completed the Code of Ethics´s elearning	91%	86%	24%	96%	---	90%	---
419-1	**Significant fines for non-compliance**							
419-1_A1_c1	Total value of significant fines (higher than 100K EUR)	0	160,000	0	---	100%	---	100%
419-1_c3	Number of significant fines (higher than 100K EUR)	0	1	0	---	100%	---	100%
205-1	**Total number and percentage of operations assessed for risks related to corruption**	**Qualitative**	**Qualitative**					
205-3	**Actions taken in response to incidents of corruption.**	**Qualitative**	**Qualitative**					
205-3_A1_c2	Number of claims with clients or suppliers related to corruption, higher than 100000€	0	0	0	100%	---	100%	---
A17	**Supplier Screening**							
A17_A_c0	Number of strategic suppliers assessed by Ecovadis	131	103	Not disclosed	---	99.89%	---	99.90%
A17_A_c1	Percentage of strategic suppliers evaluated by EcoVadis	52%	41%	Not disclosed	---	99.89%	---	99.90%
A17_A_c2	Total spend evaluated evaluated by EcoVadis (M EUR)	2,997	2,642	Not disclosed	---	99.89%	---	99.90%
A17_A_c3	Total percentage of spend assessed by EcoVadis	54%	49%	Not disclosed	---	99.89%	---	99.90%
204-1	**Proportion of spending on local suppliers**							
204-1_A_c1	Percentage of local spending	87%	85%	92%	---	100%	---	100%
401-1	**Employee Hiring**							
401-1_A_c1	New employees hired during the Reporting Period	12,596	16,005	13,048	90%	---	92%	---
401-1_A_a1	Males hires during the Reporting Period	8,745	11,512	8,814	90%	---	92%	---
401-1_A_a2	Females hires during the Reporting Period	3,851	4,493	4,234	90%	---	92%	---
401-1_A_a3	Number of graduates recruited	4,783	Not disclosed	Not disclosed	90%	---	---	---
401-1_A_a4	Percentage of graduates recruited	37.97%	Not disclosed	Not disclosed	90%	---	---	---
202-1	**Minimum wage comparison**							
202-1_A_c3	Percentage of "Atos countries" with minimum national wage, where Atos entry wage > minimum national/ IT sector wage [>50%]	59.49%	59.78%	58.21%	89%	---	98%	---
202-1_A_b3	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [>50%]	47	55	39	89%	---	98%	---
202-1_A_b4	Number of "Atos countries" where Atos entry wage > minimum national/ IT sectorwage [10%-50%]	19	26	21	89%	---	98%	---
202-1_A_b5	Number of "Atos countries" where Atos entry wage > minimum national/ IT sector wage [0%-10%]	13	11	7	89%	---	98%	---

		2017	2016	2015	2017 PERIMETER		2016 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
202-1_A_b6	Number of "Atos countries" where Atos entry wage < minimum national/ IT sector local wage	0	0	0	89%	---	98%	---
202-1_B	Number of "Atos countries" with no minimum national wage	10	10	11	89%	---	98%	---
202-1_A_b3a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [>50%]	53	57	45	89%	---	94%	---
202-1_A_b4a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sectorwage [10%-50%]	14	22	14	89%	---	94%	---
202-1_A_b5a	Number of "Atos countries" where the Atos female entry wage > minimum national/ IT sector wage [0%-10%]	8	9	8	89%	---	94%	---
202-1_A_b6a	Number of "Atos countries" where the Atos female entry wage < minimum national/ IT sector local wage	0	0	0	89%	---	94%	---
202-1_A_b3b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [>50%]	51	59	39	89%	---	97%	---
202-1_A_b4b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sectorwage [10%-50%]	20	24	24	89%	---	97%	---
202-1_A_b5b	Number of male in "Atos countries" where Atos male entry wage > minimum national/ IT sector wage [0%-10%]	8	8	4	89%	---	97%	---
202-1_A_b6b	Number of male in "Atos countries" where Atos male entry wage < minimum national/ IT sector local wage	0	0	0	89%	---	97%	---
201-1	**Community investments (Economic value distributed)**							
201-1_A6_c1	Total community investments (K Eur)	3,969	5,578	3,961	---	90.15%	---	88.53%
201-1_A6_c3	Donations to Charity (K Eur)	374	436	249	---	90.15%	---	88.53%
201-1_A6_c4	Contribution to Commercial initiatives for good causes (K Eur)	129	233	87	---	90.15%	---	88.53%
201-1_A6_c8	Contribution to Universities and similars (K Eur)	3,264	4,814	3,626	---	90.15%	---	88.53%
201-1_A6_c9	Contribution to Responsible IT Projects (K Eur)	203	96	0	---	90.15%	---	88.53%
201-1_A6_c0	Management Cost of Social Contribution initiatives (K Eur)	327	406	23	---	90.15%	---	88.53%
201-1_A6_c2	Total number of employees involved in the main social initiatives	1,095	1,093	796	84%	---	85%	---
203-2	**Significant indirect economic impacts, including the extents of impacts**	**Qualitative**	**Qualitative**					
202-2	**Proportion of senior management hired from the local community**							
202-2_A_b1	Number of national senior managers	2,538	2,436	2,292	90%	---	92%	---
202-2_A_b2	Total number of senior managers	2,727	2,620	2,465	90%	---	92%	---
202-2_A_c1	Percentage of national senior managers	93.07%	92.98%	92.98%	90%	---	92%	---
202-2_A_b3	Number of national employee	83,182	79,469	71,263	90%	---	92%	---
202-2_A_b4	Total number of employees	87,438	92,438	75,348	90%	---	92%	---
202-2_A_c2	Percentage of national employees	95.13%	85.97%	94.58%	90%	---	92%	---
202-2_A_b5	Number of national employees recruited	11,556	14,656	11,953	90%	---	92%	---
202-2_A_b6	Total number of employees recruited (Excluding acquisitions)	12,596	16,005	13,048	90%	---	92%	---
202-2_A_c3	Percentage of national employees recruited (Excluding acquisitions)	91.74%	91.57%	92.79%	90%	---	92%	---
201-4	**Financial assistance from governments**							
201-4_A_c1	Financial assistance from governments (EUR)	90,810,725	82,520,499	54,545,001	---	52.24%	---	99.61%

205-2: the e-learning excludes Germany.

A17: Excludes Conduent and ImaKumo and other small acquisitions as CVC, Zdata, etc. The 2016´s perimeter was corrected taking into account that the only exclusion was Engage entity.

D.5 Supporting the transition to a law-carbon economy

D.5.1 Environmental extra-financial performance

[GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-3 Energy] [GRI 103-3 Emissions]

The main links between the Atos Business Model, its key activities and the major environmental issues concern its datacenters, its offices, business travel, and the solutions and services offered by the Group.

The main opportunities identified concern the Group's own progress in terms of operational efficiency and the attractiveness of its offers through the promotion of solutions that help its clients progressively resolve their own sustainability issues. Atos main external environmental risks identified relate to climate change (adaptation and carbon taxes), to natural disasters (extreme natural events) and to energy and carbon (efficiency, consumption, emissions). Given its main activities, and as seen in the materiality analysis (D.1.3) and at a global level, the Group's most material impacts relate to energy consumption, travel and greenhouse gas emissions. All impacts are considered as challenges and are addressed through the Group's Environmental Program.

The Environmental Program has been in place since 2008. The Group Environmental Policy and the Group Environmental management System, implemented across multiple countries, are at the heart of the program. The governance team promotes global action plans. These action plans address the Group's main risks, opportunities and impacts and are primarily aimed at reducing energy consumption and greenhouse gas emissions. The main objectives and commitments taken at Group level concern:

- emissions of greenhouse gas: gradually reduce the carbon intensity of the Group's activities (metric tons of CO2e per million euros of revenue) and offset 100% of the residual emissions of all its IDM datacenters. The CO2 reduction target is part of the Group's 2019 Ambition Plan;
- energy consumption and efficiency: gradually improve the average PUE (Power Usage Effectiveness) of the Group's datacenters; focus on low-carbon energy; implement initiatives to reduce consumption or improve efficiency, favor remote working tools over travel;
- ISO 14001 certification: progressively certify the Group's large offices (over 500 employees) and its strategic datacenters (co-location excluded).

The Program and its action plans are monitored through 60 revelant KPIs, collected worldwide at more than 400 office locations and datacenters. Highlights from these KPIs (end 2017) are shown below:

- after achieving 50% in carbon reduction (both in absolute terms and in intensity) during the period 2008-2015, Atos set up new carbon intensity reduction targets for the years 2016-2020: achieve a reduction of 5 to 15% by 2020 (tCO2e per € million revenue, 2016 base line, for operational scopes 1, 2 and 3A); [GRI 305-5]
- over 90% of the electricity consumed by Atos' strategic datacenters (owned and operated by Atos, co-location excluded) was supplied by decarbonized sources (about 2/3% nuclear and 1/3% renewable) (scope: Infrastructure Data management datacenters); [GRI 302-1]
- since 2010, Atos has offset 100% of its datacenter energy residual CO2e emissions; [GRI 305-5]
- after acquisitions, requiring further optimizations or implying new consolidations, Atos' average PUE (Power Usage Effectiveness) was estimated at 1.75 for all its datacenters and at 1.60 when considering only its strategic datacenters (scope: Infrastructure Data management datacenters); [GRI 302-5]
- 134 sites (124 in 2016) (datacenters and offices) were certified ISO 14001, taking into account the Group's acquisition and consolidation program. [A14]

In 2017, Atos was recognized by many key players such as the CDP (Carbon Disclosure Project) or the DJSI (Dow Jones Sustainability Index), as a global leader within the IT sector, based on its actions to reduce carbon emissions and mitigate the business risks of climate change. Notably, Atos was recognized as a global leader within the IT sector on the 2017 CDP Climate Performance Leadership Index, and was among the companies awarded an "A" grade worldwide, for the fifth consecutive year (among the top 5% in 2017). In addition, in 2017, Atos' carbon intensity targets for 2021 and 2050 have officially been approved by the SBTi (Science Based Targets initiative) as being in line with the world effort to limit the rise of climate change below 2°C.

Through its Environmental Program, Atos directly contributes to UN sustainable development objective number 13 (climate action) and indirectly to objectives 7 (clean energy), and 12 (consumption/production).

D.5.2 Environmental management

[GRI 103 -1 Energy] [GRI 103 -1 Emissions] [GRI 103 -2 Energy] [GRI 103 -2 Emissions] [GRI 103 -3 Energy] [GRI 103 -3 Emissions]

D.5.2.1 Governance - management approach for Energy and Emissions

[GRI 103 -1 Energy] [GRI 103 -1 Emissions] [GRI 103 -2 Energy] [GRI 103 -2 Emissions]

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

D.5.2.2 Environmental Policy

Since 2016, a new version of the Group's Environmental Policy is in place, 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. It includes information about the context; main concrete instructions, ambitions, objectives or targets at Group and/or at local level, and reporting process requirements.

D.5.2.3 Environmental management System and certification

[A14]

The EMS (Environmental management System) operates the Group's Environmental Program and its Policy. The EMS and the ISO 14001 certification of the Group's main sites are 2 operational tools that help us:

- monitor the Group's main challenges;
- achieve the Group's main objectives through consistent action plans and control of its operations;
- reduce the Group's main risks of non-compliance with international /local regulations, laws, rules and with interested parties' requirements (stakeholders).

All Atos' main sites - meeting the Group's certification criteria (strategic datacenters operated by Atos plus targeted co-located sites and large 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. The Group's on-going ambition is that by 2019, 80% of its sites fulfilling the Group's certification criteria be certified or undergoing certification.

In several Business Units, sites, which do not formally fulfill the Group's certification criteria, are also certified to anticipate regulations or meet local market expectations. At the end of 2017, 134 sites (124 in 2016) were certified (datacenters and offices.).

Further qualitative information related to the Global multi-site certification process can be found in the Environment Chapter of the Corporate Responsibility Report 2017.

D.5.2.4 Main environmental opportunities and risks

[A7] [GRI 201-2] [A20]

The main opportunities identified concern the Group's own progress in terms of operational efficiency and the attractiveness of its offers through the promotion of sustainable technologies and solutions that help its clients progressively resolve their own sustainability issues.

Regarding operational efficiency, improving Atos' performance regarding environmental challenges leads to new ways of working, improved internal processes; better operating efficiency and potential savings.

Regarding sustainable technologies and solutions, 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 sustainable technologies and 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 2017, the total revenue of the sustainability offerings represented a revenue of€ 2,755 million [A7]. Further information on such offerings in section D.3.

Atos main external environmental risks identified relate to climate change (adaptation and carbon taxes), to natural disasters (extreme natural events) and to energy and carbon (efficiency, consumption, emissions).

Atos monitors these specific risks through complementary tools and processes: the Environmental Program action plans; the EMS (Environmental management System); the Enterprise risk management Process (monitoring main risks that can impair the achievement of the Group's objectives); the Book of Internal Control (BIC), the Legal Risk Mapping and the policies that frame our activities.

Regarding energy, carbon and adaptation to climate change: the key environmental issues considered by the Group and in particular the continuous efforts made in reducing its carbon emissions, its energy consumptions and the impact of travel contribute to its ability to operate in a low-carbon economy. Atos has also identified the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in particular the approach to evaluate the resilience of the strategy, taking into consideration different climate-related scenarios.

Regarding carbon taxes: An impact valuation analysis was carried out in 2017. It has enabled to estimate the potential financial impact of a generalization of carbon taxes. The introduction of a first level of internal carbon price also helps progressively prepare the Group to the arrival of higher carbon taxes in the coming years.

Regarding natural disasters (extreme natural events) and employees' safety, in 2017, Atos launched its own Safety and Emergency Response Tool (SERT) that is activated in areas where an event has occurred that could put Atos employees' safety at risk. In 2017 SERT was activated in Houston and Miami after hurricanes and in Mexico after earthquakes. This tool allows to knowing in 48 hours and for the overwhelming majority of the employees whether they are safe or if they need assistance.

Regarding natural disasters (extreme natural events) and business continuity, 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. Notably, the Strategic datacenters are twin datacenters with full duplication capacity (synchronous data and IT infrastructure replication). These business continuity strategies can minimize the effects of local phenomena and aim to mitigate wider extreme natural events as well as other disruption causes like fires or civil disturbances.

Regarding compliance with environmental regulations, the ISO 14001 certification of our major sites involves systematic legal monitoring and constant information on potential changes.

Atos risks are also 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 trainings on environmental challenges and KPIs;
- e-learning modules (in English, French, German, and Spanish) accessible to all employees address sustainability topics at large;
- the EMS / ISO 14001 certification program implies an awareness program engaging employees on environmental challenges and promoting eco-friendly behavior regarding energy, water, waste and travel;
- dedicated video (environmental challenges, achievements, eco-friendly behaviors);
- several blueKiwi collaborative communities address sustainability topics such as environmental challenges, market trends, stakeholder expectations, innovations, business challenges and best practices.

D.5.3 Environmental action plans

D.5.3.1 Main challenges, main action plans and levers

[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5]

Given the Group's main activities, the main impacts identified relate to energy consumption and greenhouse gas emissions. These main impacts are considered as challenges and are addressed as part of the Group's Environmental Program. The Group other environmental impacts are also managed under this program.

For many years, 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 large office sites' and strategic datacenters' environmental impacts through the EMS / ISO 14001 certification program;
- 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;
- set ambitious objectives about carbon emissions, in line with climate science recommendations;
- offset 100% of the Group's datacenters' energy consumption to make its hosting services carbon neutral;
- offer sustainable solutions both beneficial for our clients and with the least impact on the environment;
- 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

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5]

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 adjusts 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 regularly realigns 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. > 10%) and/or new high-intensity activities are 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_2e emission targets in line with the world effort to limit the rise of climate change below 2°C; carbon price; engagement with stakeholders and public information. In 2017, the Science Based Targets initiative (SBTi) officially approved the Group's intensity targets (tCO_2e per € million value added/operating margin) for 2021 and 2050.

Absolute CO_2 emissions

[GRI 305-1] [GRI 305-2] [GRI 305-3]

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 2017, Atos' emissions covering Scopes 1, 2 and 3 – part A (Operational Scope 3) amounted to 238,123 metric tons of CO^2 (253,000 tons in 2016) for its activities worldwide. Scope 1 represented 15% of the overall emissions. Scope 2 represented 35% and Scope 3 – part A represented 50% (respectively 12%, 40% and 48% in 2016).

Emissions covering these Scopes 1, 2 and 3 – part A are also sub-categorized by business activities and in 2017, the datacenters represented 46% of the overall emissions, the offices 26% and travel 27% (respectively 48%, 29% and 23% in 2016).

In 2017, within the Scope 3 – part B covering the "Other Scope 3 emissions", the most significant categories representing (circa 92%) of the total Group's emissions (all scopes combined) were the upstream categories 1 "Goods and services" and 2 "Capital goods" (circa 73%) and the downstream category 11 "Use of sold products" (circa 19%). 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 chapter D.4.3.

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.

The GHG Protocol now advises publishing a "Dual Reporting" for the scope 2 CO_2 emissions (related to electricity). This "Dual Reporting" implies to report emissions using "location-based conversion factors," (conversion factors from international databases like the International Energy Agency) and using "market-based conversion factors" (conversion factors emissions directly delivered by the energy providers).

Atos deployed a process to collect these "market-based conversion factors" from its main providers in countries where its energy consumption is the most significant. The first data available are for France, Spain and the UK. For full Group, the 2017 absolute emissions were 83,577 tCO_2 using the "location-based conversion factors" and were 81,138 tCO_2e using the available "market-based conversion factors".

See additional information on commitments and targets in the sections below; in section D.5.1 and in the Environment Chapter of the Corporate Responsibility Report.

Intensity CO_2 emissions
[GRI 305-4] [GRI 305-5]

After great achievement in carbon reduction between 2008 and 2015 (-50% both in intensity and absolute), Atos at the end of 2016 took a new public commitment: reduce its carbon intensity by 5 to 15% by 2020 (tCO_2e per € million revenue, 2016 base line, for operational scopes 1, 2 and 3A). At the end of 2017, the Group is on track. Carbon intensity figures (emissions per revenue or employees) are more significant than absolute figures to understand the trends and progress achieved at constant scope.

Based on the 2017 enlarged scope, Atos' intensity emissions covering Scopes 1, 2 and 3 – part A were 19.28 metric tons of CO_2e per € million and 2.51 metric tons per employee (respectively 22.14 and 2.90 in 2016).

The progress made in intensity in 2017 (tCO_2/M€ Revenue) is linked to the direct progress made to reduce emissions (numerator), to the changes in turnover and number of employees (denominator) and to the evolutions of the conversion factors (e.g. conversion of energy in CO_2).

Carbon-saving initiatives
[GRI 305-5]

The amount of CO_2 emissions saved in the offices and datacenters due to energy-saving initiatives can be found in the KPI overview section.

Decarbonized energy
[GRI 305-5]

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 2017, 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. At the end of 2017, 95% of the electricity consumed in the strategic datacenters operated by Atos (co-location excluded) is decarbonized. For achievements, please refer to section D.5.1 and the Environment Chapter of the Corporate Responsibility Report 2017, 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
[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4]

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
[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4]

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 2017, the optimization program continued, with the further integration of sites of recently acquired companies. At the end of 2017, Atos sites represented more than 1.1 million m² (1.2 in 2016) distributed in more than 471 locations worldwide. In 2017, this program saved the equivalent of circa 10% 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' large 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 are taken by the sites.

For further qualitative information, please refer to the Environment Chapter of the Corporate Responsibility Report 2017.

Datacenters: energy Efficiency and saving initiatives
[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5]

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 2017, Atos managed 106 multi-customer datacenter sites (108 in 2016, 115 in 2015) in 30 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 also invests 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 solution is currently being installed in 9 datacenters, and 13 more are planned in 2018.

The energy efficiency of the datacenters is measured through the long term evolution of the PUE. 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. The progress made on the PUE can only be assessed on the long term as they can be directly impacted by new acquisitions and depend on numerous external factors among which the datacenters occupancy rate. In 2017, the energy saved thanks to the improvement of the PUE in the strategic datacenters was estimated at over 920,000 kWh.

Since 2017, Atos' most efficient strategic datacenter was Longbridge near Birmingham, with a theoretical PUE of 1.15 obtained by indirect free air cooling and a renewed infrastructure very near to the theoretical minimum of one.

For further information on achievements, please refer to section D.5.4 Managing the corporate environmental footprint – KPI overview and to Environment Chapter of Corporate Responsibility Report 2017.

Atos' supercomputers: energy optimization
[GRI 302-5]

For many years, Atos' bull X 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 generations will include high-definition energy efficiency monitoring based on multiple and fine-grain sensors. The prototype, fully operational in 2017, has a computing capacity of 25 petaflops, and with respect to capacity, an electricity consumption 20 times lower than the "Tera 100" which was turned on in 2010.

Involved in the European "Mont Blanc" project, to develop eco-efficient supercomputers, Atos expands its range of supercomputers to include ARM processors in new Bull Sequana X1310. This 64-bit highly energy-efficient ARM processor, it enables to address performance, power and cost issues.

D.5.3.4 Travel and new ways of working

[GRI 302-2]

Business travel is a source of energy consumption and GHG emissions. 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 over car or plane for business trips and encourage car sharing for commuting).

In 2017, the average number of km travelled by employee was 4,685 (5,614 in 2016 and 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 2017, after major acquisitions, and 94% of Atos' fleet was below 120 g CO_2/km (88% in 2016). 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 example, Germany has started to integrate hybrid cars into its fleet and is hereby starting to refrain from the focus on Diesel fueled vehicles.

For further information on how Atos Digital Workplace reduces travel needs, please refer to the Environment Chapter of the Corporate Responsibility Chapter 2017.

D.5.3.5 Natural disasters

Scientists tell us that climate change will result in more frequent and extreme natural events.

The consideration of natural disasters must address the resilience of activities on the one hand and the safety of employees on the other.

The resilience of activities must take into account the upstream preparation, the resistance capacity during an event and the recovery capacity after an event.

Natural disasters are addressed in chapter D.5.2.4 regarding risks and opportunities.

D.5.3.6 Sustainable Technologies and Solutions

[A7]

The attractiveness of the Group offers through the promotion of sustainable technologies and solutions that help its clients to progressively resolve their own sustainability issues is a key opportunity for Atos. Sustainable technologies and solutions aim to be both beneficial for the activity sectors that use them and the least impactful in terms of environment (consumption, waste and emissions). The consideration of this opportunity is already clearly reflected in the Group's product and service offers.

- Eco-efficient data centers (section D.5.3.3) whose residual emissions are fully offset (section D.5.3.2).
- Eco-designed servers (section D.5.3.6) that regularly occupy the first ranking in the world-tests evaluating their energy performance (section D.5.3.3).
- Sustainable IT solutions that help clients to progressively resolve their own sustainability issues (see section D.3.4).

Further qualitative information related to sustainable technologies and solutions can be found in the Environment Chapter of the Corporate Responsibility Report 2017.

D.5.3.7 Other environmental challenges

Even if they are not identified as "material" at the scale of the full Group or due to nature of Atos business, some other environmental challenges are monitored by Atos. They have to be reported 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 2017, based on publicly available estimations of paper consumption per employee in the tertiary sector, Atos' global consumption was estimated at 7,275 metric tons for 96,168 employees.

Waste and e-waste

[A19]

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 through dedicated indicators. In 2017, based on publicly available estimations of waste per employee in the tertiary sector, Atos' global office waste worldwide was estimated at 11,900 metric tons for 96,168 employees.

Water

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, 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 2017, 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 0.37 million M3 for 96,168 employees.

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

[GRI 305-6] [GRI 305-7]

As with the other environmental challenges mentioned above, impacts on biodiversity have not been analyzed as direct or significant. Nevertheless, Atos action plans regarding emissions, energy consumption and travel have positive repercussions on the eco-systems.

Similarly, 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 [GRI 305-6] [GRI 305-7].

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

[GRI 302-5] [GRI 419-1]

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 2016 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 center 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.

Since early 2013, the Group has 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 2017 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 [GRI 419-1].

D.5.4 MaSupporting transition to a low-carbon economy – KPI overview

[GRI 103-3 Energy] [GRI 103-3 Emissions]

		2017	2016	2015	2017 PERIMETER		2017 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
302-1	**Energy consumption within the organization**							
302-1_E_c1	Total direct* and indirect* energy consumption (GJ)	2,789,600	2,748,247	2,240,714	---	93.81%	---	93.44%
302-1_A	Total Direct Energy Consumption in Data Centers & Offices (GJ)	129,899	153,403	170,563	---	93.81%	---	93.44%
302-1_A-Off	Direct energy consumption in Offices (GJ)	102,459	124,407	148,849	---	93.81%	---	93.44%
302-1_A-DC	Direct energy consumption in Data Centers (GJ)	27,440	28,996	21,714	---	93.81%	---	93.44%
302-1_C	Total Indirect Energy Consumption in Data Centers & Offices (GJ)	2,649,670	2,594,844	2,070,151	---	93.81%	---	93.44%
302-1_C-Off	Indirect Energy Consumption in Offices (GJ)	723,400	772,388	629,258	---	93.81%	---	93.44%
302-1_C-DC	Indirect Energy Consumption in Data Centers (GJ)	1,926,270	1,822,456	1,440,893	---	93.81%	---	93.44%
302-1_C1_c10	Total electricity consumption from renewable sources (GJ)	469,401	368,751	698,125	---	93.81%	---	93.44%
302-1_C1_c9	Share of electricity supplied by decarbonized sources in Atos' strategic Data Centers	95%	90%	Not disclosed	---	100%	---	100%
302-1_C1_c8	Share of electricity supplied by renewable sources in Atos' strategic Data Centers	26.4%	27%	Not disclosed	---	100%	---	100%
302-2	**Energy consumption outside of the organization**							
	Global travel intensity							
302-2_c1	Total KM Traveled per Employee	4,685	5,614	6,114	98.76%	---	77.48%	---
302-2_c2	Total km travelled per revenue (in Millions of Euros)	35,359	35,850	42,733	---	96.58%	---	94.85%
	Distances travelled							
302-2_A6_c93	Total KM Traveled by Car	215,909,184	194,025,973	220,423,475	98.76%	---	77.48%	---
302-2_A6_c50	Total KM Traveled by Train	40,878,383	36,812,261	50,820,255	98.76%	---	77.48%	---
302-2_A6_c57	Total KM Traveled by Taxi	2,219,548	3,507,159	2,308,629	98.76%	---	77.48%	---
302-2_A6_c92	Total KM Traveled by Plane	189,418,757	159,319,623	154,867,923	98.76%	---	77.48%	---
	GHG emissions for company's cars							
302-2_A6_b70	Number of company cars	6,674	6,860	7,770	---	100%	---	100%
302-2_A6_b71	Number of cars below 120g CO_2/km	6,288	6,064	6,112	---	100%	---	100%
302-2_A6_c1	Percentage of company cars below 120 gr CO_2/km	94%	88%	79%	---	100%	---	100%
302-2_A6_b82	Average of emissions in company´s fleet cars (gr CO_2/km)	108.04	124.02	104.72	---	100%	---	100%
302-3	Energy Intensity							
302-3_A_c1	Energy intensity by revenue (GJ per € Million)	227.35	243.41	236.82	---	93.81%	---	93.44%
302-3_A_c2	Energy intensity by employee (GJ per Employee)	29.68	32.18	29.05	81.49%	---	88.07%	---
302-4	**Energy Saving Initiatives**							
302-4_A_c1	Estimated Energy savings in Data Centres (GJ)	16,740	2,486	20,487	---	60%	---	30.76%
302-4_A_c3	Cost savings due to energy savings in Data Centers (K EUR)	1,187	133	686	---	60%	---	30.76%
302-4_A_c5	Estimated Energy savings in Offices (GJ)	6,516	17,830	91,847	---	60%	---	30.76%
302-4_A_c6	Cost savings due to energy savings in Offices (K EUR)	469	187	Not disclosed	---	60%	---	30.76%
305-1	**Direct greenhouse gas emissions (DCs & Offices)**							
305-1_A_c2	GHG emissions (scope 1) in tCO_2	35,212	30,048	31,116	---	94.64%	---	95.53%
305-2	**Indirect greenhouse gas emissions (DCs & Offices)**							
305-2_A_c1	GHG emissions (scope 2) in tCO_2	83,577	100,376	43,879	---	94.64%	---	95.53%
305-2_A_c1-mrkt	GHG emissions (scope 2) in tCO_2 – With available market based CF	81,138	Not disclosed	Not disclosed	---	94.69%	---	---
305-3	**Other indirect greenhouse gas emissions ("Operational" Scope 3)**							
305-3_A_c1	GHG emissions ("Operational" Scope 3) in tCO_2	119,334	122,576	95,366	---	94.64%	---	95.53%
305-4	**Greenhouse gas emissions intensity**							
305-4_A_c3	Global GHG emissions (tCO_2)	238,123	253,000	170,361	---	94.64%	---	93.98%
305-4_A_c4	GHG emissions in Data Centers (tCO_2)	112,365	122,315	52,144	---	94.64%	---	93.98%
305-4_A_c5	GHG emissions in Offices (tCO_2)	61,690	72,758	58,083	---	94.64%	---	93.98%

		2017	2016	2015	2017 PERIMETER		2017 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
305-4_A_c6	GHG emissions in Travels (tCO_2)	64,067	57,927	60,133	---	94.64%	---	93.98%
305-4_A_c1	GHG emissions by revenue (tCO_2/M €)	19,282	22,141	17,806	---	94.64%	---	93.98%
305-4_A_c2	GHG emissions by employee (tCO_2/employee)	2,508	2,901	2,165	86.25%	---	85.92%	---
305-5	**Reduction of greenhouse gas (ghg) emissions**							
305-5_A_c2	Estimation of GHG reductions achieved (tCO_2)	1,053	2,757	11,030	---	60%	---	65%
305-5_A_cmp20	GHG emissions reduction due to the Energy saved in Data Centers (tCO_2)	262	308	2,267	---	60%	---	65%
305-5_A_cmp40	GHG emissions reduction due to the Energy saved in Offices (tCO_2)	791	2,449	8,763	---	60%	---	65%
A14	**ISO 14001 certification of Atos main sites (offices and DC)**							
A14_c5	ISO 14001 certified sites (Offices plus Data Centers)	134	124	95	---	100%	---	100%
419-1	**Significant fines for non-compliance concerning the provision and use of products and services**							
419-1_A	Significant fines for non-compliance concerning the provision and use of products and services	0	0	Not disclosed	---	100%	---	100%
201-2	**Financial implications and other risks and opportunities due to climate change**	**Qualitative**	**Qualitative**					
A20	**Natural disasters**							
A20_A	Percentage of the strategic data centers that have synchronous data replication capacities	100%	Not disclosed	Not disclosed	---	100%	---	100%

All environmental KPIs exclude new acquisitions (Conduent and ImaKumo).

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Offices include Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, 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 United Kingdom, Worldline Belgium, Worldline France, Worldline Germany, Worldline India, Worldline Italy and Worldline Spain.

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Data Centers include Argentina, Austria, Belgium, Bulgaria, Canada, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, Ireland, Morocco, Netherlands, Philippines, Poland, Romania, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, USA, Worldline United Kingdom, Worldline Belgium, Worldline France, Worldline Germany, Worldline India, Worldline Italy and Worldline Spain.

302-2, 305-1, 305-3, 305-4 for Travels include Andorra, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Ireland, Italy, Korea, Lithuania, Luxembourg, Mexico, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, Uruguay, USA, Worldline United Kingdom, Worldline Argentina, Worldline Austria, Worldline Belgium, Worldline France, Worldline Germany, Worldline Hong Kong, Worldline India, Worldline Indonesia, Worldline Luxembourg, Worldline Singapore and Worldline Spain.

302-1_C1_c9 and 302-1_C1_c8: Approximated values. Strategic Data Centers managed by Atos in Infrastructure Data management scope.

302-1_E_c1: direct: gas, fuel, diesel, coal…

302-1_E_c1: indirect: electricity and heating energy consumption.

305-1_A_c2: tCO_2: Tons of CO_2.

305-3_A_c1: "Operational" Scope 3 includes the same emission categories as 2016 scope 3 (emission from business travel and 3rd Party energy consumption).

305-2_A_ c1-mrkt: it is calculated using the available market based conversion factors for electricity and when they are not available the local based electricity conversion factor are used.

D.6 Information about the report

D.6.1 Scope of the report

[GRI 102-10], [GRI 102-45], [GRI 102-48], [GRI 102-49], [GRI 102-50], [GRI 102-51], [GRI 102-52], [GRI 102-54], [GRI 102-55], [GRI 102-56] and [GRI 102-56]

This chapter describes the scope of Atos 2017 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

[GRI 102-12]

With Grenelle 2 law, the French Companies must report a higher number of information related to the Corporate Responsibility.

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.

Since 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

[GRI 102-12] [GRI 103-1]

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 material 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 GRI Standards

[GRI 102-12] [GRI 102-46] [GRI 102-49] [GRI 102-50] [GRI 102-51] [GRI 102-54],[GRI 102-55] [GRI 102-56] [GRI 102-31] [GRI 102-32] [GRI 103-1] [GRI 103-2] [GRI 103-3]

In 2017, Atos reviews the results from the last material analysis with a third party, which had confirmed the most relevant topics (aligned with GRI Standards) and 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 2017 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 36 Performance Indicators clustered into management disclosures and six categories (economic, environment, labor practices & decent work, human rights, society, product responsibility) plus 12 Atos 'specific Performance indicators. Atos has produced its 2017 Corporate Responsibility Integrated report 'In accordance' with the GRI Standards 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 Standards 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, 2017 to December 31, 2017 in a comparable period (one year) to the previous 2016 report. In term of scope the geographical perimeter has changed compared to 2016. Detailed explanations are provided in next paragraphs.

ImaKumo and Conduent, the Companies recently acquired by Atos, are 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). 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.

Topics boundaries

[GRI 102-45] [GRI 103-1]

The following topics of GRI Standards 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.

Material Topics	Topic 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
Socioeconomic Compliance	Clients, Investors and analysts, Communities and NGOs, Public entities

Reporting scope for the indicators resulting from the materiality study [GRI 102-4]

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 2017, the Group is organized as follows:

- APAC (Asia Pacific): Australia, China, Hong Kong, India, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand;
- CEE: Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Romania, Serbia, Slovakia and Switzerland;
- BTN (Benelux and the Nordics): Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Netherlands, Poland, Russia and Sweden;
- France: France;
- Germany: Germany;
- Iberia: Portugal, Spain and Andorra;
- MEA: Algeria, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Morocco, Qatar, Senegal, South Africa, Turkey and United Arab Emirates;
- SAM (South America): Argentina, Brazil, Chile, Colombia, Peru, Uruguay and Venezuela;
- UK&I: The United Kingdom and Ireland;
- NAO (North America Operations): Canada, Guatemala, Israel, Mexico, NAO China, NAO India, Puerto Rico and USA;
- "Worldline": Argentina, Austria, Belgium, Brazil, Chile, China, Czech Republic, Estonia, France, Germany, Hong Kong, India, Indonesia, Latvia, Lithuania, Luxembourg, Malaysia, Netherlands, Poland, Singapore, Spain, Sweden, Taiwan, United Kingdom and USA subsidiaries; Equens Belgium, Equens Finland, Equens France, Equens Germany, Equens Italy, Equens Luxembourg and Equens Netherlands;
- CORPORATE: France, Germany, Netherlands, Switzerland and United Kingdom;
- MAJOR EVENTS: Korea and Spain;
- GCH (Group Cloud Hub): Agarik and blueKiwi.

On the basis of this context, the perimeter (countries under scope) of the indicators does not vary significantly on the 2017 reporting period. The tables in sections D.2.4, D.3.6, D.4.5 and D.5.4 specify the perimeter associated to each indicator.

Reporting tool [GRI 103-3]

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 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
[GRI 103-1] [GRI 103-2]

Detailed information related to GRI 102-48

No restated information from last year, on FY 2017 reporting.

Detailed information related to GRI 201-1 and GRI 203-1 KPIs
[GRI 103-3 Indirect economic impacts]

The information required in GRI 201-1 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 2017.

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 2017 the total cost of social initiatives in cash was € 3,273,970, in time was € 354,254, in-kind was € 13,658, and in management cost was € 327,480 [GRI 203-1].

Detailed information related to GRI 205-2

The e-learning of the Code of Ethic is a cumulative figure and do not includes classroom training (which is a separate KPI). This kind of training includes any employee who did the training since he / she joins the Atos´ group.

Detailed information GHG Protocol Scopes 1, 2 and 3
[GRI 305-1] [GRI 305-2] [GRI 305-3]

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% of the Atos´ revenue.

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 GRI 302-1, 305-1, 305-2, 305-3, 305-4, 305-5 KPIs

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 and the International Energy Agency (IEA). The electricity conversion factors for all countries are gathered from the document "CO_2 Emissions from Fuel Combustion 2017" available at: http://www.iea.org/bookshop/757-CO_2_Emissions_from_Fuel_Combustion_2017. The rest of the conversion factors are gathered from the DEFRA´s last updated version "Conversion Factors 2017.MS Excel Spreadsheet" available at: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017.

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.

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.

The cooling purchased through local district cooling schemes, for DC and offices is 0 GJ.

Atos do not sell electricity, heating, cooling, nor steam to third parties.

Detailed information related to GRI 302-3 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.

For the Energy intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the baseline scope measured in 2017. 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.

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.

The types of energy included in the intensity ratio are: electricity, gas, district heating, backup generator fuel (diesel and fuel oil).

The ratio uses energy consumed only within the organization (energy required to operate).

Detailed information related to GRI 302-4 KPI

The types of energy included in the energy reductions are: electricity and gas.

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).

The reduction is calculated as follows:

- for datacenters, 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.

Detailed information related to GRI 302-5 KPI

The scope of GRI 302-5 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 was estimated at over 920,000 kWh [GRI 302-5_A]. Their weighted 12 months average PUE was 1.60 in 2017 compared to 1.62 in 2016 and 1.64 in 2015.

Because the PUE decreased by 0.02 between 2016 and 2017, the DC facilities were more efficient in energy consumption in 2017 compared to 2016. The avoided power consumption was calculated by multiplying the overall average reduction of facility power with the actual facility power of end 2017.

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. [GRI 302-5_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 Datacenter. [GRI 302-5_C].

Detailed information related to GRI 305-1, GRI 305-2, GRI 305-3 and GRI 305-4 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. [GRI 305-1_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.

The gases included in GRI 305-2 – scope 2 are CO_2. [GRI 305-2_B] The gases included in the calculation of Gases included in GRI 305-1 a (CO_2) – scope 1, in GRI 305-3 a (CO_2) – scope 3, and GRI 305-4_D, GRI 305-4_B, are CO_2.

Where possiblethe Group uses conversion factors provided by the energy generating company. Where this is not available, the conversion table used is based on the International Energy Agency (IEA) which provides a country average ratio.

The chosen consolidation approach for emissions is based on an operational control. Site related data are collected at site level, and then consolidated with travel data which is collected at country level. This is then consolidated at Business Unit level then Global level. [GRI 305-1].

For the GHG emission intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the baseline scope measured in 2017. 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. [GRI 305-4].

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.

Atos is not producing any biogenic CO_2 emissions.

Detailed information related to GRI 305-5

The reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions.

Detailed information related to A6 KPI (Diversity Perception)

The KPI A6 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 is calculated by GPTW survey as the weighted average of responses in each country.

Detailed information related to Human Resources KPIs [GRI 103-3 Employment] [GRI 103-3 Training and education] [GRI 103-3 Diversity and equal opportunity]

All the Human Resources indicators derived from the HR Information System (GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 202-1, GRI 202-2, and AO6) are based on an extraction made in January 2018. 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.

ImaKumo and Conduent are excluded from the indicators of Human Resources in 2017.

Detailed information about the Net Promoter Score (NPS)

"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).

This score can relate to the strategic clients that have responded the Atos customer satisfaction survey.

Detailed information related to 401-1

The turnover is calculated as the total leaving excluding outsourcing divided by total headcount at the end of the year.

Detailed information related to GRI 404-1

The calculation of the average training by employee is done using the headcount closing 2017. Includes the hours registered in the Atos formal training tools (SuccessFactors, SABA, McGaw-Hill…) and also the hours registered as informal training (self-directed training not accessed through the Atos´ learning management system).

Detailed information related to GRI 205-2

The Code of Ethic training 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 and N-3 of the Company. "N" meaning the Executive Vice Presidents of the Group. It is performed by lawyers with a same content: ETO²S. For Germany and Iberia, N-4 procurement and sales managers are also considered as they are exposed.

Detailed information related to GRI 419-1

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 GRI 419-1 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 A2

This indicator is based on the Great Place to Work survey.

Detailed information related to ISO 27001 Audits [A3]

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.

Detailed information related to A17 and GRI 205-1

A17 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 (GRI 205-1: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified).

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.

A17_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 70% of revenues spent).

A17_A_c1 Percentage of strategic suppliers evaluated by EcoVadis = Number of ATOS's strategic suppliers evaluated by EcoVadis / number of ATOS's strategic suppliers.

A17_A_c2 Total spend evaluated by EcoVadis (EUR) = Total spend assessed by Ecovadis (regardless if spent on strategic suppliers).

A17_A_c3 Total percentage of spend assessed by EcoVadis = Total spend assessed by EcoVadis / global ATOS spend during the year.

Detailed information related to A7

A7 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, 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 € million)
A7_a1 CODEX	651
A7_a2 CLOUD	777
A7_a8 DIGITAL WORKPLACE	398
A7_a11 SAP HANA	159
A7_b0_WL	770
TOTAL SUSTAINABLE REVENUE ESTIMATED	**2,755**

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 the Group is 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 has 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 2017, the scope represented 62% of the Headcount. 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, 2017

[GRI 102-54], [GRI 102-55], [GRI 102-56]

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 consolidated Human Resources, environmental and social information for the year ended December 31st, 2017 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 Director 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 at 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 Auditors' 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);
- at the request of the Company and outside of certification scope, 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).

It is not our responsibility to provide any conclusion on the compliance with other applicable legal expectations, in particular those concerning article L.225-102-4 of the French code of commerce (duty of care) or the French law 2016-1691 (fight against corruption).

Our work involved seven persons and was conducted between December 2017 and February 2018 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. 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.

1 *Whose scope is available at www.cofrac.fr.*
2 *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

Conclusion

Based on the work and 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]:

- 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 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 to identify potential undisclosed data, 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 19% of the workforce and between 18% and 25% 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.

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.

(1) *Quantitative information: Number of employees at the end of the Reporting Period (Legal staff); Number of employees leaving employment during the Reporting Period; Average hours of training per employee; Percentage of employees receiving performance appraisal in the last 12 months; Percentage of employees with an Individual Development Plan; Number of digital certifications obtained per year; Percentage of female within Atos; Percentage of female within the board of directors; Percentage of women identified in talents pool; Average on Diversity Perception (GPTW survey questions); Atos Trust Index® informed by Great Place to Work (GPTW); Number of active users in collaborative working and digital tools; Global absenteeism rate; Net Promoter Score for our strategic surveys (all clients part of strategic survey); Total Revenue of "sustainability offering" (M Eur); Digital transformation factory revenue (M Eur); Percentage of coverage of ISO 27001 certifications; Percentage of compliance to Malicious code prevention; Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action; Percentage of management employees trained in Code of Ethics - Classroom; Percentage of employees who successfully completed the web based Code of Ethics training ; Attendance rate at Board meetings; Number of significant fines (higher than 100k EUR); Total number of employees recruited; Percentage of graduates recruited; Innovation workshops delivered with customers; Percentage of strategic suppliers evaluated by EcoVadis; Total percentage of spend assessed by EcoVadis; Global estimated average PUE for strategic Data Centers; Energy intensity by revenue (GJ per Million EUR); Energy intensity by employee (GJ per employee); GHG emissions by revenue (tCO2 per Million EUR); GHG emissions by employee (tCO2 per employee); ISO14001 certified sites (Offices plus Data Centers); Percentage of the strategic data centers that have synchronous data replication capacities; Offsetting of all data centers GHG emissions (%).*
Qualitative information: Atos Group Compensation Policy; Working conditions; Scope 3 – part B calculation; A trusted partner for the benefits of the local ecosystem; Enhance Sustainable relation; Protecting personal data in a data driven world; Improvement of anti-corruption awareness

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, February 21, 2018

One of the statutory auditors

Deloitte & Associés

Jean-Pierre Agazzi	Erwan Harscoët
Partner	Director, Sustainability Services

E Financial

E

E.1 Operational review

E.1.1 Statutory to constant scope and exchange rates reconciliation

2017 revenue was € 12,691 million, up +8.3% compared to 2016 reported statutory, +10.1% at constant exchange rates, and +2.3% organically, particularly led by the Atos Digital Transformation Factory which represented 23% of 2017 revenue (vs. 13% in 2016) answering the strong demand of large organizations for their digital transformation. Compared to 2016 restated statutory, 2017 revenue was up +4.6%.

Operating margin reached € 1,292 million (10.2% of revenue), up +17.0% compared to 2016 reported statutory and +17.6% compared to € 1,098 million (8.9% of revenue) in 2016 at constant scope and exchange rates. This improvement by +130 basis points notably came from a fast increasing hybrid or private cloud business, the continuous execution of the TOP transformation program, and the synergies with Equens and Unify. Compared to 2016 restated statutory, operating margin was up +15.2%. In 2017, the Group continued to execute its pension schemes optimization plan which resulted in operating margin one-offs for € 28 million, compared to € 41 million in 2016. Excluding these effects, the Group profitability was up +140 basis points at 10.0% in 2017.

(In € million)	2017	2016 Restated	% change	2016 Reported	% change
Statutory revenue	12,691	12,138	4.6%	11,717	8.3%
Exchange rates effect		-188		-187	
Revenue at constant exchange rates	**12,691**	**11,950**	**6.2%**	**11,530**	**10.1%**
Scope effect		467		887	
Exchange rates effect on acquired/disposed perimeters		-7		-8	
Revenue at constant scope and exchange rates	**12,691**	**12,410**	**2.3%**	**12,410**	**2.3%**
Statutory operating margin	1,292	1,122	15.2%	1,104	17.0%
Scope effect		-2		16	
Exchange rates effect		-21		-21	
Operating margin at constant scope and exchange rates	**1,292**	**1,098**	**17.6%**	**1,098**	**17.6%**
as % of revenue	*10.2%*	*8.9%*		*8.9%*	

The table below presents the effects on 2016 revenue of the restatement of Unified Communication & Collaboration (UCC, formerly Unify S&P), acquisitions and disposals, internal transfers reflecting the new Group organization, and change in exchange rates.

	FY 2016 revenue						
(In € million)	FY 2016 reported statutory	UCC integration (11 months)	FY 2016 restated statutory	Scope effects	Internal transfers	Exchange rates effects*	FY 2016 at constant scope and exchange rates
Germany	1,954	230	2,184	31			2,215
North America	2,061	28	2,088	163	-0	-44	2,208
United Kingdom & Ireland	1,790	10	1,801	22		-129	1,694
France	1,709	-0	1,709	4			1,712
Benelux & The Nordics	986	33	1,019	-2	72	3	1,092
Other Business Units	1,956	119	2,076	12	-72	-12	2,003
Worldline	1,261		1,261	237		-13	1,486
TOTAL GROUP	**11,717**	**420**	**12,138**	**467**	**0**	**-195**	**12,410**
Infrastructure & Data Management	6,595	424	7,019	211		-149	7,081
Business & Platform Solutions	3,194	-3	3,192	15	-15	-29	3,163
Big Data & Cybersecurity	666	-1	665	3	15	-3	680
Worldline	1,261		1,261	237		-13	1,486
TOTAL GROUP	**11,717**	**420**	**12,138**	**467**	**0**	**-195**	**12,410**

* *At 2017 average exchange rates.*

The integration of Unified Communication & Collaboration (11 months) represented a FY 2016 revenue restatement of €+420 million.

Scope effects amounted to €+467 million for revenue. This was mostly related to the positive contribution of Unify Services and Unified Communication & Collaboration (January 2016 for €+63 million), Anthelio (9 months for €+133 million), Equens, Paysquare, and Komerçni Banka Smartpay (9 months for €+229 million). Other effects were related to the acquisitions of Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting, and Conduent's Breakaway Group, First Data Baltics, Digital River, MRL Posnet, Engage ESM, zData, and Imakumo, on one side, and to the disposal of Cheque Service on the other side.

Internal transfers of (i) operations in Poland, Russia, and Lithuania from Other Business Units (Central & Eastern Europe) to Benelux & The Nordics, and (ii) Big Data consulting activities in Middle-East from Business & Platform Solutions to Big Data & Cybersecurity occurred as of January 1, 2017.

Currency exchange rates effects negatively contributed to revenue for €-195 million and mainly came from the British pound and the American dollar depreciating versus the Euro.

The integration of UCC represented a FY 2016 operating margin restatement of €+18 million. Exchange rates effect accounted for € -21 million and scope effects amounted to €-2 million. These effects and internal transfer impacts are detailed below:

	FY 2016 operating margin						
(In € million)	FY 2016 reported statutory	UCC integration (11 months)	FY 2016 restated statutory	Scope effects	Internal transfers	Exchange rates effects*	FY 2016 at constant scope and exchange rates
Germany	201	-11	190	-18			172
North America	241	-2	239	13	-2	-5	246
United Kingdom & Ireland	239	-4	235	2		-17	220
France	125	-3	122	0	-1	0	122
Benelux & The Nordics	72	9	81	0	-4	-0	77
Other Business Units	127	28	155	-0	6	1	162
Global structures**	-98		-98			2	-96
Worldline	197		197	1		-2	196
TOTAL GROUP	**1,104**	**18**	**1,122**	**-2**	**0**	**-21**	**1,098**
Infrastructure & Data Management	683	18	701	-3	0	-17	681
Business & Platform Solutions	206		206	1	-1	-3	203
Big Data & Cybersecurity	112		112	-1	1	-0	111
Corporate costs	-94	-0	-94			1	-93
Worldline	197		197	1		-2	196
TOTAL GROUP	**1,104**	**18**	**1,122**	**-2**	**0**	**-21**	**1,098**

* *At 2017 average exchange rates.*

** *Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs. Worldline holds its own corporate costs.*

E.1.2 Performance by Division

	Revenue			Operating margin		Operating margin %	
(In € million)	2017	2016*	Organic evolution	2017	2016*	2017	2016*
Infrastructure & Data Management	7,144	7,081	0.9%	752	681	10.5%	9.6%
Business & Platform Solutions	3,243	3,163	2.5%	245	203	7.6%	6.4%
Big Data & Cybersecurity	754	680	10.9%	114	111	15.2%	16.3%
Corporate costs				-72	-93	-0.6%	-0.8%
Worldline	1,550	1,486	4.3%	253	196	16.3%	13.2%
TOTAL	**12,691**	**12,410**	**2.3%**	**1,292**	**1,098**	**10.2%**	**8.9%**

* *At constant scope and exchange rates.*

E.1.2.1 Infrastructure & Data Management

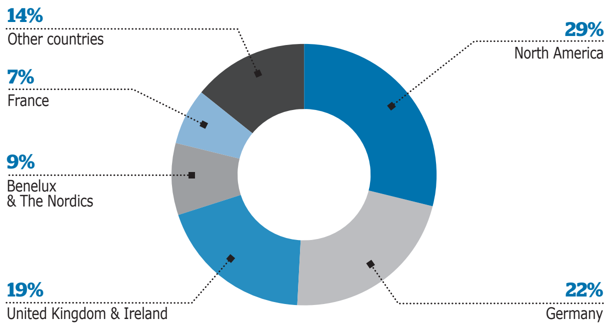
(In € million)	2017	2016*	Organic evolution
Revenue	7,144	7,081	0.9%
Operating margin	752	681	
Operating margin rate	10.5%	9.6%	

* *At constant scope and exchange rates.*

Infrastructure & Data Management **revenue** was € 7,144 million, up +0.9% at constant scope and exchange rates, with a significant growth in strategic areas such as Cloud, Digital Workplace and projects in Technology Transformation Services. Indeed, growth was accelerated by new Digital Transformation Factory contracts won in several geographies as the Division continued to successfully transform the IT landscape of its main clients and to roll out automation and robotization. In particular, *Canopy Orchestrated Hybrid Cloud* showed a strong traction with clients such as BBC in the UK, Naval Group in France, Dutch Police and Akzo Nobel in Benelux & the Nordics, Henkel in Germany, and Vodafone in Central & Eastern Europe among others. *Atos Digital Workplace* and *SAP HANA by Atos* were also boosted by contracts with Siemens in Asia Pacific, The Vienna Hospital Association (KAV: Wiener Krankenanstaltenverbund) and Enel in Central & Eastern Europe.

Growth materialized primarily in the Public & Health sector, notably in North America thanks to increased volumes and additional scope from an Oracle Exadata implementation for the Texas department of Information Resources, new contracts in France with Naval Group and the CEA (Commission for Atomic Energy and Alternative Energies), and higher volumes with Polish governmental institutions. Financial Services benefitted from the ramp-up of new large contracts such as Aegon in the UK, Kasbank in The Netherlands, and AXA in France, while growth in Asia Pacific was sustained by higher volumes with a large bank in Hong-Kong. Manufacturing, Retail & Transportation was stable. Increased volumes with Royal Mail Group in the UK and ramp-up of new contracts such as Rheinmetall in Germany, Monsanto in North America, Safran in France, as well as Philips and Akzo Nobel in Benelux & The Nordics compensated for lower volumes on Unified Communication & Collaboration. Telcos, Media & Utilities was impacted by the re-insourcing of parts of the BBC contract further to its renewal in Q2 and scope reduction with some customers in North America.

Infrastructure & Data Management revenue profile by geography



Operating margin in Infrastructure & Data Management was € 752 million, representing 10.5% of revenue. The improvement by +90 basis points compared to 2016 at constant scope and exchange rates (+100 basis points excluding pension one-offs) was the result of migration to cloud based infrastructures and highly automated/robotized delivery in a further industrialized setup. Operating margin improvement was also led by increased revenue, combined with continued tight cost monitoring and strong project management leading to higher delivery efficiency. Additionally, the Division benefitted from costs synergies with Unify.

Profitability improved across most of the geographies. In particular, France significantly increased its gross margin and continued to tightly monitor its indirect cost. Significant profitability improvement in Benelux & the Nordics derived from revenue growth. Germany also significantly improved mostly thanks to the Unify restructuring completion. United Kingdom & Ireland managed to maintain a high level of profitability despite the base effect related to the 2016 pension one-off and scope reductions. Finally, the US remained at double digit operating margin.

E.1.2.2 Business & Platform Solutions

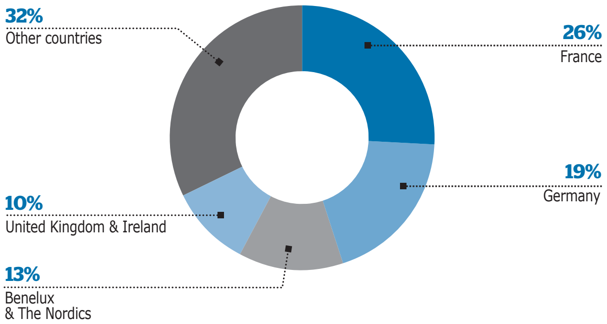
(In € million)	2017	2016*	Organic evolution
Revenue	3,243	3,163	2.5%
Operating margin	245	203	
Operating margin rate	7.6%	6.4%	

* *At constant scope and exchange rates.*

Business & Platform Solutions **revenue** reached € 3,243 million, +2.5% at constant scope and exchange rates, after +0.8% in 2016. Growth acceleration mainly came from the success of the Atos Digital Transformation Factory, in particular *Atos Codex* for SNCF, Engie, and CNES in France and Ferrovial in Spain, *SAP HANA by Atos* contracts in Germany with Siemens and SPIE, in Asia Pacific with Betagro and several customers in Benelux & the Nordics. To a lesser extent, *Digital Workplace* also contributed to the growth with several projects in France (Michelin, Sanofi and Renault) and in Germany (Ministry of Defense and the City of Munich).

Public & Health was the main growth contributor with the Olympic Games and Asian Martial Games projects contributing to the double digit growth in Other Business Units and increased volumes in North America. Manufacturing, Retail & Transportation also strongly grew thanks to the ramp-up of Rheinmetall and larger volumes with Siemens in Germany, and several contracts ramping-up such as Coca-Cola Hellenic Bottling Company in Central & Eastern Europe. In Telecom, Media & Utilities, the base effect of large transition projects delivered in 2016 to Telefonica and Nokia in Germany was only partly compensated by the ramp-up of contracts in Central & Eastern Europe, such as ACEA and Enel, and new business in Iberia and South America. The Financial Services sector was impacted by fewer projects mainly in France and in Iberia which were not fully compensated by the increased activity with NS&I in the UK.

Business & Platform Solutions revenue profile by geography



Operating margin was € 245 million, representing 7.6% of revenue. The strong improvement of +110 basis points compared to 2016 at constant scope and exchange rates (+150 basis points excluding pension one-offs) was mainly attributable to revenue growth, implementation of the RISE plan (application management industrialization), and successful workforce management materializing in an average daily rate improvement. The Division continued to invest in innovation, mostly for *Atos Codex* and *SAP HANA by Atos* offerings.

Main contributors to profitability improvement were France, North America, and Other Business Units. Conversely, United Kingdom & Ireland faced the base effect related to the 2016 pension one-off and Benelux & the Nordics were impacted by revenue decline.

E.1.2.3 Big Data & Cybersecurity

(In € million)	2017	2016*	Organic evolution
Revenue	754	680	10.9%
Operating margin	114	111	
Operating margin rate	15.2%	16.3%	

* *At constant scope and exchange rates.*

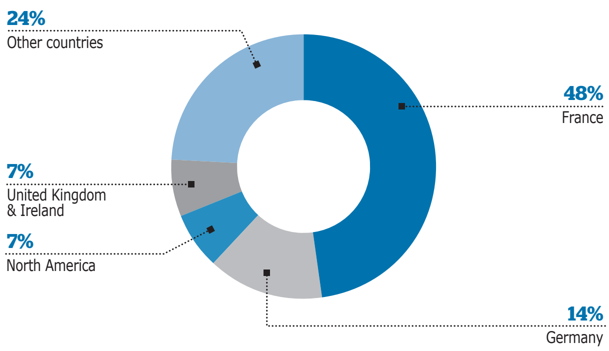
Revenue in Big Data & Cybersecurity was € 754 million, up +10.9% organically, pulled by the extension of the Division's markets both in terms of industries served and geographies.

In particular, growth was driven by Cybersecurity services where customers' investments are increasing to face more and more sophisticated cyberattacks. The activity was particularly strong with the signature of new projects with customers such as Xerox in North America, department of Energy & Climate Change and BBC in the United Kingdom, as well as Nokia in Germany.

The performance was also driven by the sale of 'BullSequana', one the most powerful computers in the world, to the Jülich Research Center in Germany, to GENCI and Safran in France, and new business in Africa, which more than compensated the decrease of licenses sales achieved in 2016 for legacy servers in France and in Benelux & the Nordics.

Mission critical systems remained stable thanks to new business with the German government compensating a decrease of projects delivered in Switzerland.

Big Data & Cybersecurity revenue profile by geography



Operating margin was € 114 million broadly stable compared to 2016 and representing 15.2% of revenue. The Division managed to record a double digit growth while investing in innovative solutions and products as well as extending its international footprint to geographies such as Germany, North America, and Middle East & Africa.

E.1.2.4 Worldline

A detailed review of Worldline full year 2017 results can be found at worldline.com, in the "Investors" section.

(In € million)	2017	2016*	Organic evolution
Revenue	1,550	1,486	4.3%
Operating margin	253	196	
Operating margin rate	16.3%	13.2%	

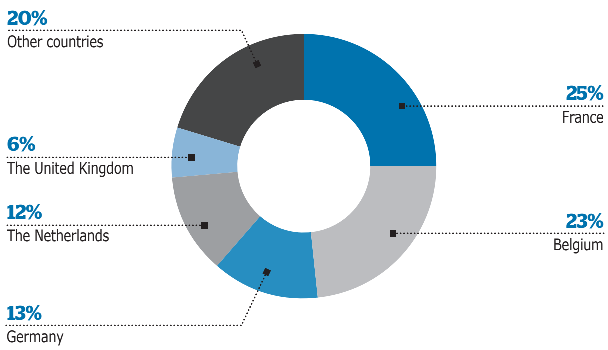
* *At constant scope and exchange rates.*

From a contributive perspective to Atos, Worldline **revenue** was € 1,550 million, improving by +4.3% at constant scope and exchange rates, representing 12.2% of the Group revenue. Growth was led by increased transactions volumes within *Merchant Services* and *Financial Processing* business lines:

- *Merchant Services* grew by +5.4% organically and reached € 531 million. The growth mainly came from Merchant Payment Services, which benefitted from a strong momentum in India with the demonetization impact leading to higher volumes of transactions and from positive business trends in Continental Europe. The good operational performance more than compensated the pricing/volume mix effect of the first semester in Belgium in Commercial Acquiring, when the Group decided to retrocede the interchange fee reduction benefit to its clients;
- *Financial Processing* reached € 705 million, up +6.6% organically. Revenue in Issuing Processing grew thanks to transactions volume growth, successful sales of authentication services, a high level of software licenses and projects in Asia. Acquiring Processing was also particularly dynamic in France and in Italy. Digital banking grew mainly thanks to good fertilization on projects in France and in the UK. Finally, Accounts Payments increased along with transactions volumes of Sepa payments in the Netherlands and in Germany, as well as significant volume growth on iDeal activity in the Netherlands, a business operated by equensWorldline;
- *Mobility & e-Transactional Services* revenue was € 314 million, down -2.0% organically, as the Trusted Digitization business line was impacted during the first semester by the termination of the "Radars" contract in France that occurred in June 2016. Excluding that effect, the growth of Mobility & e-Transactional Services would have reached +9% thanks to a double-digit underlying growth recorded in Trusted Digitization, notably in France with government agencies and in Latin America in healthcare services and tax collection activities. E-Consumer & Mobility performed a double-digit growth thanks to the ramp up of projects in France and in Germany while e-Ticketing performed less projects for rail companies in the UK.

Worldline contributed to the Group Digital Transformation Factory, especially with *Atos Codex*. Indeed new contracts were signed in Connected Living with customers such as Renault in France, Siemens in Germany and BSH Home Appliance in China, as well as in fraud risk management in Belgium.

Worldline revenue profile by geography



Operating margin was € 253 million or 16.3% of revenue, improving by +310 basis points led by the strong performance of *Financial Processing*, thanks to top line growth combined with the fast delivery of equensWorldline costs synergies fully in line with the plan presented at the time of the acquisition. *Merchant Services* operating margin benefitted from transactions volume growth and positive pricing effect in Commercial Acquiring while in Belgium the interchange fees structure was changed. Finally, *Mobility & e-Transactional Services* operating margin improved benefitting from higher volumes in both Connected Living and e-Ticketing. The Division recorded a € 7 million pension one-off during the first half of the year; excluding this effect, the Division's operating margin improved by +270 basis points.

E.1.3 Performance by Business Unit

	Revenue			Operating margin		Operating margin %	
(In € million)	2017	2016*	Organic evolution	2017	2016*	2017	2016*
Germany	2,251	2,215	1.6%	190	172	8.5%	7.8%
North America	2,231	2,208	1.1%	266	246	11.9%	11.1%
France	1,725	1,712	0.7%	163	122	9.4%	7.1%
United Kingdom & Ireland	1,715	1,694	1.2%	181	220	10.6%	13.0%
Benelux & The Nordics	1,084	1,092	-0.8%	94	77	8.7%	7.1%
Other Business Units	2,136	2,003	6.6%	224	162	10.5%	8.1%
Global structures**				-79	-96	-0.7%	-0.9%
Worldline	1550	1486	4.3%	253	196	16.3%	13.2%
TOTAL	**12,691**	**12,410**	**2.3%**	**1,292**	**1,098**	**10.2%**	**8.9%**

* *At constant scope and exchange rates.*
** *Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs. Worldline holds its own corporate costs.*

E.1.3.1 Germany

(In € million)	2017	2016*	Organic evolution
Revenue	2,251	2,215	1.6%
Operating Margin	190	172	
Operating Margin Rate	8.5%	7.8%	

* *At constant scope and exchange rate.*

In 2017, the Business Unit achieved a **revenue** organic growth of +1.6%, leading to € 2,251 million, with a continuous improvement recorded over the year, reaching a solid growth of +2.8% in the fourth quarter. Growth was primarily fueled by new contracts in Business & Platform Solutions as well as in Big Data & Cybersecurity, while Infrastructure & Data Management was impacted by the revenue evolution of Unified Communication & Collaboration.

In Infrastructure & Data Management, revenue benefitted from the ramp-up of the new *Digital Workplace* contract with Rheinmetall in Manufacturing, Retail & Transportation. Financial Services grew, supported by large deliveries of services and hardware equipment. Telecom Media & Utilities was impacted by the reduced activity with Nokia, partially mitigated by increased volumes delivered to Telefonica. Finally in Public & Health, the Business Unit delivered contracts to several new clients in Healthcare.

Business & Platform Solutions achieved a solid growth in almost all Markets. In particular, a double digit growth was achieved in Manufacturing, Retail & Transportation, notably driven by increased *SAP HANA by Atos* businesses. Strong growth was also posted in Public & Health, notably thanks to the *Atos Codex* new contract with a German governmental agency, and to a lesser extent in Financial Services, while Telecom, Media & Utilities faced a base effect related to large transition and transformation projects delivered in 2016 to customers such as Nokia and Telefonica.

Big Data & Cybersecurity showed a solid momentum, led by Public and Telecom sectors. This performance was achieved thanks to new businesses in cybersecurity for longstanding large telcos customers and in mission critical services with government agencies. Additionally the Business Unit was successful in High Performance Computing with notably the sale of the 'BullSequana X1000' to Jülich Research Center.

Operating margin reached € 190 million, representing 8.5% of revenue, +70 basis points compared to 2016 at constant scope and exchange rates. Profitability improvement resulted from revenue growth, notably in Big Data & Cybersecurity, combined with continued improvement of the workforce management and strong actions on costs optimization in all Divisions. Additionally, Infrastructure & Data Management benefitted from the execution of the Unify restructuring plan.

E.1.3.2 North America

(In € million)	2017	2016*	Organic evolution
Revenue	2,231	2,208	1.1%
Operating Margin	266	246	
operating Margin Rate	11.9%	11.1%	

* *At constant scope and exchange rate.*

Revenue reached € 2,231 million, +1.1% organically. Growth was attributable to the good performance of Big Data & Cybersecurity and Business & Platform Solutions, reflecting the progressive diversification of the Business Unit, while Unified Communication & Collaboration within Infrastructure & Data Management was still negatively oriented.

In Infrastructure & Data Management, Public & Health sector grew thanks to increased volumes with the Texas department of Information Resources and the support of Anthelio (acquired in 2016) healthcare capabilities. Manufacturing, Retail & Transportation benefitted from additional business and projects with Monsanto and Conduent which compensated most of revenue decline in Unified Communication & Collaboration. The situation remained challenging in Telecom, Media & Utilities, affected by scope or price reductions and ends of contracts with some large customers. The Business Unit was able to sign significant new contracts and major renewals which will sustain its future development. In particular, strong increase was recorded within *Canopy Orchestrated Hybrid Cloud* and *Digital Workplace* activities, confirming the Business Unit ability to deliver the digital transformation of the IT landscape of large customers.

In Business & Platform Solutions, the Business Unit managed to pursue the development of the Atos Digital Transformation Factory. The increased digital business mainly materialized in Public & Health, also sustained by the positive contribution from new acquisitions in Healthcare.

Big Data & Cybersecurity pursued its strong development, benefitting from continued strong demand for the Group solutions in both Cybersecurity and Big Data. Growth materialized in all Markets and more particularly in Manufacturing, Retail & Transportation.

Operating margin continued to improve to reach 11.9% of revenue (+80 basis points) at € 266 million. The Business Unit benefitted from revenue increase in Big Data & Cybersecurity and Business & Platform Solutions, as well as continuous strong actions to reduce the cost base in Infrastructure & Data Management when migrating customers to Cloud. This allowed maintaining a high level of profitability despite the revenue effect from Unified Communication & Collaboration.

E.1.3.3 France

(In € million)	2017	2016*	Organic evolution
Revenue	1,725	1,712	0.7%
Operating Margin	163	122	
operating Margin Rate	9.4%	7.1%	

* *At constant scope and exchange rate.*

At € 1,725 million, **revenue** in France improved by +0.7% organically. The performance of the Business Unit was driven by Infrastructure & Data Management thanks to a continued solid performance over the year.

Indeed Infrastructure & Data Management achieved +8.1% organic growth, with an improvement in all Markets. The growth was primarily recorded in Public & Health, thanks to the ramp-up of the Naval Group contract, as well as a larger demand for Atos Escala Cloud servers in the healthcare sector. Growth also came from Financial Services with notably the ramp-up of the Axa contract and higher volumes with Groupama. Other Markets showed a sustainable performance supported by solid outsourced activities and new *Canopy Orchestrated Hybrid Cloud* businesses for clients such as Safran.

Business & Platform Solutions was more challenged mainly due to a reduced project activity with some customers in Financial Services. Other Markets remained roughly stable. In Manufacturing, Retail & Transportation, the ramp-up of PSA and Sanofi contracts compensated for the ones completed the year before and for some volumes reductions. Public & Health benefitted from new businesses compensating the effect of a large contract with the Ministry of Defense delivered in the prior year. Telecom, Media & Utilities benefitted from *Digital Workplace* and *Atos Codex* projects with large companies such as Orange and EDF.

Big Data & Cybersecurity was broadly stable. Manufacturing, Retail & Transportation sector grew thanks to High Performance Computing solutions delivered to customers such as Safran, the ramp-up of new contracts with Thales, and new mission critical projects. Public & Health faced a comparable basis effect due to 2016 strong sales activity and the completion of projects did not repeat to the same extent in 2017.

Operating margin reached € 163 million, representing 9.4% of revenue, increasing by +230 basis points. Profitability improved in almost all Divisions. Infrastructure & Data Management was led by the positive revenue growth combined with efficient cost savings actions. Operating margin in Business & Platform Solutions increased thanks to stronger actions in workforce management and successful cost reduction programs.

E.1.3.4 United Kingdom & Ireland

(In € million)	2017	2016*	Organic evolution
Revenue	1,715	1,694	1.2%
Operating Margin	181	220	
operating Margin Rate	10.6%	13.0%	

* *At constant scope and exchange rate.*

Revenue was € 1,715 million, up +1.2% at constant scope and exchange rates. Growth was primarily derived from the strong dynamism of Big Data & Cybersecurity while other Divisions achieved to remain stable in spite of several headwinds. The Business Unit signed Digital Transformation Factory contracts, in *Canopy Orchestrated Hybrid Cloud* and *Digital Workplace*.

Infrastructure & Data Management remained globally stable, with growth in Financial Services with the ramp-up of new contracts such as the one with Aegon and in Manufacturing, Retail & Transportation with increased volumes with the Royal Mail Group and several other new engagements in the Cloud area. In Public & Health, the ramp-up of new Cloud contracts notably with University College London Hospitals combined with increased volumes and project business with longstanding customers such as the Ministry of Justice mostly offset the ramp-down from other legacy customers. This strong performance compensated for the decrease in Telcos, Media & Utilities, impacted by re-insourcing of parts of the BBC contract further to its renewal in Q2. Significant new contracts signed in 2017 such as Aviva, combined with the strong momentum with key longstanding customers on *Digital Workplace* solutions, led to an improved starting position for 2018.

Business & Platform Solutions also remained broadly stable, with growth in Financial Services thanks to projects in *Digital Workplace* and *Atos Codex* for existing Infrastructure & Data Management customers such as NS&I and Aegon, and in Manufacturing, Retail & Transportation, thanks to new SAP projects. The situation was more mixed in Public & Health with new significant digital transformation contracts won, such as with University City London Hospitals, and some contracts scope reduced with existing customers. In Telecom, Media & Utilities, contracts signed with new customers such as Anglian Water and Northern Ireland Electric did not fully compensate for the re-insourcing of parts of the BBC contract.

Big Data & Cybersecurity had a very successful year in United Kingdom & Ireland, driven by a continued strong demand in Cybersecurity for existing customers in Manufacturing, Retail & Transportation and Public & Health, and the delivery of a High Performance Computing project to STCF (Science Technology Facilities Council).

Operating margin was € 181 million and represented 10.6% of the revenue, including a positive € 21 million pension one-off recorded in the second semester (9.3% excluding pension one-off), comparing to 13.0% in 2016 at constant scope and exchange rates (10.5% excluding pension one-off). The Business Unit benefitted from the revenue growth and managed to maintain a high level of profitability despite contractual price or scope reductions mainly in Infrastructure & Data Management. In particular, strong management actions were implemented to pursue the efforts on costs savings through TOP transformation program, especially in automation and robotization, as well as tight project management on large contracts.

E.1.3.5 Benelux & The Nordics

(In € million)	2017	2016*	Organic evolution
Revenue	1,084	1,092	-0.8%
Operating Margin	94	77	
operating Margin Rate	8.7%	7.1%	

* *At constant scope and exchange rate.*

At € 1,084 million, 2017 **revenue** was slightly down organically, closing the year with an upturn in the fourth quarter at +0.7%, a significant improvement compared to the 2016 organic performance (-7.3%).

Infrastructure & Data Management pursued its recovery and performed a solid growth of +3.7%. From a Markets perspective, the growth was led by Public & Health, benefitting from higher volumes achieved with Polish institutions as well as contracts ramping-up with the European Union in Belgium and new businesses with Dutch University Hospitals. Manufacturing, Retail & Transportation also increased, fueled by the ramp-up of new contracts with Philips and Akzo Nobel, as well as Financial Services, growing thanks to the contribution of new contracts with local banks.

Business & Platform Solutions revenue decreased organically. Technology Services which are local to local business faced a lower demand, notably in the Financial Services. In Public & Health, projects activity dropped, in particular in Poland, while the Business Unit succeeded in delivering projects to Dutch Ministry of Foreign Affairs. In Telcos, Media & Utilities, the Business Unit signed a new contract with T-Mobile which was delivered during the year but was impacted by lower projects with KPN in The Netherlands and volumes reductions with Orange in Poland.

Big Data & Cybersecurity revenue slowed down further to successful deliveries achieved in 2016. The activity in this Division started three years ago in Benelux and therefore remains volatile with its current size.

Operating margin reached € 94 million, representing 8.7% of revenue, improving by +160 basis points compared to 2016 at constant scope and exchange rates. Infrastructure & Data Management operating margin growth was driven by a favorable mix of sales coupled with a strong monitoring of the costs base. Operating margin remained almost stable in Business & Platform Solutions while it was affected by revenue decrease in Big Data & Cybersecurity.

E.1.3.6 Other Business Units

(In € million)	2017	2016*	Organic evolution
Revenue	2,136	2,003	6.6%
Operating Margin	224	162	
operating Margin Rate	10.5%	8.1%	

* *At constant scope and exchange rate.*

Revenue in "Other Business Units" reached € 2,136 million, up +6.6% organically with a sustained activity in all Divisions and especially in Business & Platform Solutions.

Infrastructure & Data Management achieved a solid organic growth including the negative effect of Unified Communication & Collaboration which however managed to return to growth in Q4 2017. Financial Services was driven by higher volumes with its banking customers in Hong Kong and in Morocco. Public & Health recorded a double digit growth thanks to projects delivered in several countries of Central & Eastern Europe together with the ramp-up of the Western Australian Government migration to *Canopy Orchestrated Hybrid Cloud*. Manufacturing, Retail & Transportation was more challenged in spite of the ramp-up on new contracts signed in Switzerland. Finally, Telecom, Media & Utilities remained stable.

Business & Platform Solutions revenue posted a strong growth in almost all Markets. The Public & Health double digit growth was reached thanks to new deliveries for the Asian Martial Arts Games in Ashgabat and for the Taiwan University Games, to SAP HANA projects for the Vienna Hospital Association and for Airports of Thailand. Manufacturing, Retail & Transportation as well as Telcos, Media & Utilities posted significant growth, mainly driven by new projects, especially in Italy and Iberia, as well as the delivery of the new Coca-Cola Hellenic Bottling Company contract from Bulgaria. This largely compensated for fewer projects in Financial Services.

Big Data & Cybersecurity continued to grow, benefitting from High Performance Computing solutions delivered to public agencies in several African countries and to a large bank in Hong Kong. The Division also performed Cybersecurity projects for Major Events and Central & Eastern Europe customers.

Operating margin was € 224 million, representing 10.5% of revenue, improving by +240 basis point compared to 2016 at constant scope and exchange rates. Margin mainly benefitted from the contribution of the revenue growth, primarily in Infrastructure & Data Management and in Business & Platform Solutions, as well as from tight monitoring of costs across the entire Business Unit.

E.1.3.7 Global structure costs

Global structures costs reached €-79 million, a decrease by € 17 million compared to 2016 at constant scope and exchange rates, reaching -0.6% of the IT Services Divisions revenue (Worldline holding its own corporate costs), reflecting the continued efforts in costs optimization and a better monitoring both in procurement and real estate costs.

E.1.4 Revenue by Market

(In € million)	2017	2016*	Organic evolution
Manufacturing, Retai & Transportation	4,726	4,627	2.1%
Public & Health	3,661	3,419	7.1%
Financial Services	2,273	2,179	4.3%
Telcos, Media & Utilities	2,032	2,184	-7.0%
TOTAL	**12,691**	**12,410**	**2.3%**

* *At constant scope and exchange rates*

E.1.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest Market of the Group (37%) with revenue at € 4,726 million in 2017, up by +2.1% organically, benefitting from the ramp-up of large contracts, in particular in Germany and in North America. The Market revenue growth was particularly strong in Business & Platform Solutions and Big Data & Cybersecurity Divisions.

In this Market, the top 10 clients represented 18% of revenue, namely Siemens, Conduent, BASF, Xerox, Renault Nissan, Rheinmetall, Philips, Johnson & Johnson, Daimler, and Airbus.

E.1.4.2 Public & Health

Public & Health was the second market of the Group (29%) with revenue of € 3,661 million, up by +7.1% compared to 2016 at constant scope and exchange rates. This strong growth mainly came from North America through increased volumes with Texas DIR and from the Healthcare submarket across all geographies. In particular, strong performance was recorded within Infrastructure & Data Management and Business & Platform Solutions Divisions.

35% of the revenue in this Market was realized with the first 10 main clients: department for Work & Pensions (DWP), Texas department of Information Resources, Ministry of Justice (UK), European Union Institutions, McLaren Health Care Corporation, Commissariat à l'énergie atomique et aux énergies alternatives (French Commission for Atomic Energy and Alternative Energies), Nuclear Decommissioning Authority (UK), SNCF, Ministry of Defense (France), and AllScripts.

E.1.4.3 Financial Services

Financial Services was the third Market of the Group and represented 18% of the total Group revenue at € 2,273 million. The +4.3% organic growth was notably driven by the ramp-up of Aegon contract in the UK and higher volumes with a large bank in Hong-Kong. Worldline and Infrastructure & Data Management were the most contributive Divisions to this Market.

In this market, 43% of the revenue was generated with the 10 main clients: National Savings & Investments, Deutsche Bank, a large bank in Hong-Kong, BNP Paribas, ING, ICBPI SpA group, Crédit Agricole, La Poste, Société Générale, and S&P Global.

E.1.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the total Group revenue and reached € 2,032 million, down by -7.0% compared to 2016 at constant scope and exchange rates. Revenue decrease was attributable to the re-insourcing of parts of the BBC contract further to its renewal in Q2, to scope or price reductions and ends of contracts with some large customers in North America, and to base effects related to large transition projects delivered in 2016 to customers such as Nokia and Telefonica. This was partially offset by a revenue increase in Central & Eastern Europe notably with the ramp-up of the *Canopy Orchestrated Hybrid Cloud* Enel contract. In particular, strong performance was recorded within Big Data & Cybersecurity.

The top 10 clients were BBC, EDF, Telefonica/O2, Orange, The Walt Disney company, Nokia, Enel, Telecom Italia, Deutsche Telekom and Engie, representing 52% of the total Telcos, Media & Utilities Market revenue.

E.1.5 Portfolio

E.1.5.1 Order entry and book to bill

In 2017, the Group **order entry** totaled **€ 13,908 million,** up +6.8% year-on-year, representing a **book to bill ratio** of **110%,** consistent between the first and second semesters, and with 123% registered in the fourth quarter.

Order entry and book to bill by **Division** was as follows:

	Order Entry			Book to bill		
(In € million)	H1 2017	H2 2017	FY 2017	H1 2017	H2 2017	FY 2017
Infrastructure & Data Management	4,012	3,618	7,629	112%	102%	107%
Business & Platform Solutions	1,657	2,074	3,731	103%	127%	115%
Big Data & Cybersecurity	431	511	942	121%	129%	125%
Worldline	769	837	1,606	102%	106%	104%
TOTAL	**6,869**	**7,039**	**13,908**	**109%**	**110%**	**110%**

For IT services activities, book to bill ratio was 107% for Infrastructure & Data Management, 115% for Business & Platform Solutions, while Big Data & Cybersecurity reported a 125% book to bill ratio.

Several large new contracts were signed over the period in Infrastructure & Data Management, which contributed to the continued growth of the Atos Digital Transformation Factory. In particular main order entries were achieved this year with Aviva, the Ministry of Justice and Northern Ireland Electricity in the United Kingdom, with National Police and University Medical Centers in Benelux & the Nordics, with Johnson & Johnson and a large car rental company in North America, with Safran in France, as well as with Henkel and Siemens in Germany.

Business & Platform Solutions signed new contracts with PSA (Peugeot) and Pôle Emploi in France, as well as with Nokia in Germany and Northern Ireland Electricity in the United Kingdom. Big Data & Cybersecurity pursued its strong commercial dynamics reaching 125% book to bill ratio in 2017. Worldline managed to achieve 104% over the period, with new contracts in the Public sector and in Financial Services mainly.

Renewals of the year included several large contracts in Infrastructure & Data Management such as Allscripts, the Walt Disney company and Morgan Stanley in North America, as well as the renewal of BBC in the United Kingdom and the contract with EDF in France. Worldline renewed several Issuing Processing contracts notably with Belfius.

Order entry and book to bill by **Market** were as follows:

	Order Entry			Book to bill		
(In € million)	H1 2017	H2 2017	FY 2017	H1 2017	H2 2017	FY 2017
Manufacturing, Retail & Transportation	2,694	2,182	4,877	113%	31%	103%
Public & Health	2,023	1,965	3,988	114%	105%	109%
Telcos, Media & Utilities	1,158	1,325	2,482	114%	130%	122%
Financial Services	993	1,568	2,561	88%	137%	113%
TOTAL	**6,869**	**7,039**	**13,908**	**109%**	**110%**	**110%**

E.1.5.2 Full backlog

In line with the positive evolution of Atos commercial activity, the **full backlog** at the end of December 2017 including the integration of the acquisitions increased by **+6.0%** compared to December 2016, and amounted to **€ 22.7 billion,** representing 1.8 year of revenue.

E.1.5.3 Full qualified pipeline

The **full qualified pipeline** was **€ 7.4 billion** at the end of 2017 including the integration of the acquisitions, a strong increase by **+14.7%** compared to the end of 2016, representing **7 months of revenue.**

E.1.6 Human Resources

The total headcount was 97,267 at the end of December 2017 compared to 100,096 at the end of December 2016. The Group total workforce decreased by -2.8% (or -2,830 staff), after considering +1,069 staff from acquisitions, of which +399 in Worldline (from FirstData Baltics, DRWP and MRL Postnet), +361 in North America (from Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting business and Conduent's Breakaway group, and zData), +199 in France (from ImaKumo), and +110 in the UK (from Engage ESM). Excluding acquisitions, the total decrease amounted to -3.9%. Hiring is anticipating the implementation of automation, while focusing on digital transformation skills. The Group pursued the digital skilling and training of its teams with a strong increase of certification in this field. In Big Data & Cybersecurity, staff increased by +13% during the year.

In 2017, the Group hired 12,693 staff (95% were direct employees). The hirings were mainly achieved in the "Other Business Units" (totaling 60% of direct hirings), notably in offshore countries such as India, Poland, Romania and the Philippines, and also in the US and the UK; 55% of the direct hirings over the period were performed in Infrastructure & Data Management.

Attrition rate was 11.7% at Group level, of which 17.8% in offshore countries (respectively 12.3% and 19.1% in 2016).

The number of restructured or dismissed employees over the period was 3,047.

Headcount evolution in 2017 by Business Units and by Divisions was as the following:

	End of December 2016	UCC integration	Internal transfers	Scope	Hiring	Leavers, dismissals & restructuring	End of December 2017
Infrastructure & Data Management	46,824	1,416		279	6,564	-9,406	45,678
Business & Platform Solutions	32,564			293	3,869	-5,448	31,279
Big Data & Cybersecurity	3,726			22	638	-165	4,221
Functions	122				6	2	130
Worldline	8,132			346	940	-736	8,682
Total Direct	**91,369**	**1,416**		**940**	**12,018**	**-15,753**	**89,989**
Germany	8,592	356			81	-532	8,497
North America	11,704	93	-1,630	315	1,421	-3,303	8,600
France	11,950	17		199	719	-1,618	11,267
United Kingdom & Ireland	8,330	57		80	1,249	-1,366	8,350
Benelux & The Nordics	4,844	118	1,452		363	-1,089	5,688
Other Business Units	37,398	775	178		7,202	-7,144	38,409
Global structures	418				43	35	496
Worldline	8,132			346	940	-736	8,682
Total Direct	**91,369**	**1,416**	**0**	**940**	**12,018**	**-15,753**	**89,989**
Total Indirect	**5,969**	**1,343**		**129**	**675**	**-838**	**7,277**
Unified Communication & Collaboration	2,759	-2,759					
TOTAL GROUP	**100,096**	**0**	**0**	**1,069**	**12,693**	**-16,592**	**97,267**

The number of direct employees at the end of 2017 was 89,989, representing 92.5% of the total Group headcount, similar to 92.7% at the end of December 2016. Indirect staff was 7,277 end of December 2017, decreasing by -2.2% compared to the end of December 2016 when excluding the impact from acquisitions.

E.2 2018 objectives

In 2018, taking into account the effect of IFRS 15, the Group targets ambitious objectives for its three key financial criteria in line with its 2019 Ambition:

Revenue organic growth: +2% to +3%;

Operating margin: 10.5% to 11% of revenue;

Free cash flow: circa 60% of operating margin.

E.3 Financial review

E.3.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 601 million for 2017, which represented 4.7% of Group revenue and an increase of 3.8% compared to 2016 (+10.7% excluding the gain on the sale of the Visa share in 2016). The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 866 million, representing 6.8% of 2017 Group revenue.

(in € million)	12 months ended December 31, 2017	%	12 months ended December 31, 2016[1]	%
Operating margin	**1,292**	**10.2%**	**1,122**	**9.2%**
Other operating income/(expenses)	-417		-295	
Operating income	**875**	**6.9%**	**827**	**6.8%**
Net financial income/(expenses)	-62		-55	
Tax charge	-149		-141	
Non-controlling interests and associates	-63		-52	
Net income – Attributable to owners of the parent	**601**	**4.7%**	**579**	**4.8%**
Normalized net income – Attributable to owners of the parent**	**866**	**6.8%**	**783**	**6.4%**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*
** *The normalized net income is defined hereafter.*

E.3.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Below the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and other operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is analyzed in detail in the operational review.

E.3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 417 million in 2017. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Staff reorganization	-83	-89
Rationalization and associated costs	-38	-42
Integration and acquisition costs	-43	-32
Amortization of intangible assets (PPA from acquisitions)	-109	-106
Equity based compensation	-86	-50
Other items	-59	24
TOTAL	**-417**	**-295**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The € 83 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as France, the Netherlands and the United Kingdom.

The € 38 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America (€ 9 million), Germany (€ 9 million) and France (€ 8 million).

The € 43 million **integration and acquisition** costs mainly related to the execution of Unify, equensWorldline, Paysquare and Anthelio integrations, and to the migration and standardization of internal IT platforms from acquired companies.

The 2017 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA)** of € 109 million was mainly composed of:

- € 28 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 20 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 20 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9.3 years and 7 to 10 years starting September 1, 2014;
- € 10 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016; and
- € 9 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1, 2016.

The **equity based compensation expense** amounted to € 86 million compared to € 50 million from the previous period. The increase related to the scope expansion, the stock price evolution, as well as the achievement of performance conditions.

In 2016, the gain on the sale of Worldline's share in Visa Europe to Visa Inc. for € 51 million was included in **other items**. In 2017, following the acceleration of significant cyberattacks such as WannaCry and NotPetya as well as to prepare a faster implementation of GDPR (General Data Protection Regulation), the Group ran specific programs to reinforce its skills; this exceptional effort amounted to approximately € 20 million. The Group also decided to settle several longstanding litigations and incurred expenses related to specific semi retirement schemes for respectively around € 10 million and € 10 million

E.3.1.3 Net financial expense

Net financial expense amounted to € 62 million for the period (compared to € 55 million prior year) and was composed of a net cost of financial debt of € 24 million and non-operational financial costs of € 38 million.

Net cost of financial debt was € 24 million (compared to € 20 million in 2016) and resulted from the following elements:

- the average gross borrowing of € 2,190 million compared to € 2,010 million in 2016 bearing an average expense rate of 1.49% compared to 1.61% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negociable European Commercial Papers (NEU CP) program started in June 2017 for an average of € 1,103 million (compared to an average of € 1,059 million in 2016) bearing an effective interest rate of 0.31%, benefiting from the attractive remuneration applied to the NEU CP,
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%,
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%,
  - other sources of financing, including securitization, for an average of € 191 million, bearing an effective interest rate of 4.75%;
- the average gross cash increased from € 1,302 million in 2016 to € 1,339 million in 2017 bearing an average income rate of 0.67% compared to 0.92% in 2016.

Non-operational financial costs amounted to € 38 million compared to € 35 million in 2016 and were mainly composed of pension related interest (€ 30 million compared to € 33 million expense in 2016) and a net foreign exchange loss (including hedges) of € 3 million versus a net foreign exchange gain (including hedges) of € 7 million in 2016. The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

E.3.1.4 Corporate tax

The Group effective tax rate was 18.3% corresponding to a tax charge of € 149 million with a profit before tax of € 813 million.

Please refer to Note 7 Income tax for further explanations.

E.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group. Non-controlling interests amounted to € 64 million in December 2017 (compared to € 53 million in December 2016). Excluding the gain on the sale of the Visa share by Worldline in the prior year, minority interests increased by € 27 million. This increase was mostly related to the 12 months effect of the non-controlling interests in equensWorldline (3 months in 2016) and the improved performance of Worldline overall.

E.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal, and infrequent items (net of tax) was € 866 million, increasing by 10.6% compared to previous year.

(in € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Net income – Attributable to owners of the parent	**601**	**579**
Other operating income and expenses net of tax	-265	-204
Normalized net income – Attributable to owners of the parent	**866**	**783**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

E.3.1.7 Earnings per share

(In € million and shares)	12 months ended December 31, 2017	% Margin	12 months ended December 31, 2016*	% Margin
Net income – Attributable to owners of the parent [a]	**601**	**4.7%**	**579**	**4.8%**
Impact of dilutive instruments	-		-	
Net income restated of dilutive instruments – Attributable to owners of the parent [b]	**601**	**4.7%**	**579**	**4.8%**
Normalized net income – Attributable to owners of the parent [c]	**866**	**6.8%**	**783**	**6.4%**
Impact of dilutive instruments	-		-	
Normalized net income restated of dilutive instruments – Attributable to owners of the parent [d]	**866**	**6.8%**	**783**	**6.4%**
Average number of shares [e]	105,081,802		103,766,609	
Impact of dilutive instruments	376,158		506,003	
Diluted average number of shares [f]	105,457,960		104,272,612	
(In €)				
Basic EPS [a]/[e]	**5.72**		**5.58**	
Diluted EPS [b]/[f]	**5.70**		**5.55**	
Normalized basic EPS [c]/[e]	**8.24**		**7.54**	
Normalized diluted EPS [d]/[f]	**8.21**		**7.51**	

* *December 31, 2016 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) reached respectively € 5.72 (€ 5.58 in 2016) and € 5.70 (€ 5.55 in 2016). Normalized basic and diluted EPS reached respectively € 8.24 (€ 7.54 in 2016) and € 8.21 (€ 7.51 in 2016).

E.3.2 Cash Flow

Free cash flow representing the change in net cash or net debt, excluding net acquisitions/disposals, equity changes, and dividends paid to shareholders, reached € 714 million versus € 569 million achieved in 2016.

(in € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Operating Margin before Depreciation and Amortization (OMDA)	**1,608**	**1,374**
Capital expenditures	-526	-456
Change in working capital requirement	-25	-8
Cash from operation (CFO)	**1,057**	**910**
Tax paid	-133	-131
Net cost of financial debt paid	-24	-20
Reorganization in other operating income	-95	-85
Rationalization & associated costs in other operating income	-22	-43
Integration and acquisition costs	-40	-22
Other changes**	-30	-40
Free Cash Flow (FCF)	**714**	**569**
Net (acquisitions)/disposals	-403	-809
Proceeds from the disposal of the Visa share	-	36
Capital increase/(decrease)	38	28
Share buy-back	-59	-
Dividends paid to owners of the parent	-168	-47
Change in net cash/(debt)	**123**	**-223**
Opening net cash/(debt)	**329**	**546**
Change in net cash/(debt)	123	-223
Foreign exchange rate fluctuation on net cash/(debt)	-144	6
Closing net cash/(debt)	**307**	**329**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

** *"Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration 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 to € 1,057 million and increased by € 147 million compared to prior year. This increase resulted from the change of the three following components:

- OMDA (€+234 million) mainly reflecting the increase in operating margin, the scope effect on depreciation of fixed assets, as well as a strong decrease in net provision releases and in pension one-offs;
- capital expenditures (€-70 million) mainly reflecting the scope increase of the Group operations;
- change in working capital requirement (€-17 million).

OMDA of € 1,608 million represented 12.7% of revenue, compared to 11.3% of revenue last year:

(in € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Operating margin	**1,292**	**1,122**
+ Depreciation of fixed assets	448	414
+ Net book value of assets sold/written off	14	34
+/- Net charge/(release) of pension provisions	-82	-105
+/- Net charge/(release) of provisions	-65	-91
OMDA	**1,608**	**1,374**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Capital expenditures amounted to € 526 million or 4.1% of the revenue compared to € 456 million in 2016. The Group continued to invest, especially in its payment platforms within Worldline extended scope, as well as in its infrastructure business, in particular in Cloud architectures.

The **change in working capital requirement** amounted to € 25 million. The DSO ratio reached 35 days compared to 33 days at the end of December 2016. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 21 days compared to 15 days in December 2016. The DPO reached 81 days compared to 80 days at the end of December 2016.

Cash out related to **tax paid** reached € 133 million and was slightly higher than last year. This increase was lower than the progression of the profit before tax, further to the decrease in the effective tax rate over the last few years.

The **cost of net debt** reached € 24 million compared to € 20 million in 2016. This was mainly explained by a slight reduction in the interest rate on the deposits.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 157 million compared to € 150 million in 2016, in line with the target of 1% of Group revenue plus the cost planned to generate the synergies with Equens (circa € 20 million in 2017).

Other changes amounted to €-30 million and decreased by € 10 million, relating mainly to the exceptional costs (circa € 20 million) linked to specific programs to reinforce Group skills and offerings, further to the acceleration of significant cyberattacks such as WannaCry and NotPetya, as well as to prepare a faster implementation of GDPR (General Data Protection Regulation).

As a result, the **Group Free Cash Flow** (FCF) generated during the year 2017 was € 714 million.

The net debt impact resulting from **acquisitions net of disposals** amounted to € 403 million and corresponded mainly to the acquisition of MRL Posnet, First Data Baltics, Digital River, Siemens Convergence Creators (CVC), Pursuit HealthCare, and Conduent HealthCare companies.

Capital increase totaled € 38 million in 2017 compared to € 28 million in 2016, mainly reflecting the Group shareholding program SPRINT for employees as well as still some proceeds from equity based compensation resulting from stock options exercised on old plans.

Share buy-back was implemented in 2017 for € 59 million in order to deliver performance shares with no dilution for shareholders.

The Group paid in cash a **dividend** of € 168 million to its shareholders, in line with the increase of the dividend per share and the full payment in cash.

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net cash of €-144 million, mainly coming from the exchange rate of the Euro against US dollar, British pound, and several Asian currencies.

As a result, the Group net cash position was € 307 million at the end of December 2017, stable compared to € 329 million at the end of December 2016.

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 Director. 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 June 2, 2017, Atos issued a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expenses and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.2 billion in October 2017.

On September 29, 2016, Atos issued a Euro private placement bond of € 300 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 million with a five-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 18, 2013 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing of € 200 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 lowest 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, 2017, the Group has sold:

- in the compartment "ON" € 277 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" € 40 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 -0.19 at the end of December 2017 (the ratio is negative due to the net cash position of the Group at the end of December 2017). 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 54.75 (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 2017, 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, 2017

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Atos Company for the year ended December 31, 2017.

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, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de Déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition on long term fixed-price contracts

Note "Accounting rules and policies – Revenue recognition" of consolidated financial statements

Key Audit Matter	Our audit approach
Regarding fixed-price contracts performed over the course of several years, particularly related to outsourcing, consulting and system integration activities, revenues are recognized, in accordance with IAS 11 'Construction contracts' based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each of the service when it is separately identifiable. Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If 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. We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as estimated costs on these contracts are based on operational assumptions and their estimation has a direct impact on revenue and margin recognized in the consolidated financial statements.	We assessed the internal control environment relating to contract accounting. We tested the effectiveness of the key controls implemented by the financial controllers and the operational managers, in particular those relating to the costs incurred on contract and those relating to the costs to complete. For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures: • For new contracts, we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation. When a contract included multiple elements, we corroborated the company's analysis and accounting treatment with the contractual provisions and our understanding of the services provided. • For contracts in progress: – we reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records; – we corroborated the amount of costs incurred with the data from the timesheet application system; – we analyzed standard hourly rates' calculation methodology; – we performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the discussions with the client since the contract was signed; – when necessary, we analyzed assumptions used by management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.

Goodwill valuation

Note "Accounting rules and policies – Goodwill" and Note 11 of consolidated financial statements

Key Audit Matter	Our audit approach
As of December 31, 2017, the Goodwill is recorded in the balance sheet at a net book value of € 4,384.4 million, or 32.5% of the total assets. These assets are not amortized and are subject to an impairment test at least once a year. The annual impairment test is based on the value-in-use of each cash-generating unit (CGU), determined on the basis of an estimate of discounted future cash flows, requiring the use of assumptions and estimates. CGUs correspond to the geographical areas in which the Atos Group operates, with the exception of the Worldline CGU. We considered the valuation of goodwill as a key audit matter, given the weight of these assets in the consolidated balance sheet, the importance of management's judgment in determining cash flow assumptions, discount rates and long-term average growth rate, as well as the sensitivity of the valuation of their value-in-use to these assumptions.	As part of our audit, we examined the process implemented by the Company regarding the performance of impairment tests. We performed the following procedures, on the impairment tests for each CGUs: • we reconciled the cash-flow projections with the three year financial plan; • we analyzed the overall consistency of assumptions used with the performance history of the Group and / or the CGUs concerned and strengthened, especially through interviews with management, future growth prospects, including the estimation of the perpetual growth rate used; • we assessed, with the support of our valuation specialists, the appropriateness of the valuation model and the discount rates used in relation with market benchmarks; • we performed our own sensitivity calculations, to corroborate the analysis performed by management, and verified the nformation disclosed in Note 11 related to the assumption used and the sensitivity analysis is appropriate.

Valuation of defined benefits plans

Note "Accounting rules and policies – Pensions and similar benefits" and Note 20 to the consolidated financial statements

Key Audit Matter	Our audit approach
Certain employees and former employees of the Group benefit from defined benefit pension plans, which can be prepaid through pla10 assets (pension funds or insurance companies). The net obligations recognized in the Group balance sheet in respect of pension plans amount to € 1,179.1 million at December 31, 2017. The Group amends on a regular basis, by collective agreement or options to beneficiaries, the lump sum payments or annuities rights of certain plans. The main amendments performed in 2017 and their related impacts are disclosed in Note 20 to the consolidated financial statements. We have considered the valuation of defined benefit pension plans as a key audit matter, based on: • the technical expertise required to assess inflation, discount, and longevity assumptions underlying the valuation of the plans, and the impacts that could result from a change in those assumptions on the recognized obligations. • The estimates related to beneficiaries' behaviors made by management to assess the impact of certain plan amendments, which could lead to significant impacts in operating margin, in case of variances with actual behaviors observed.	We reviewed the pension plans valuation process, and the methodology used by the Group to set up the underlying actuarial assumptions. With the support of our actuarial experts: • we assessed the actuarial assumptions used, in particular the consistency between the financial (inflation and discount rates) and demographic (mortality table) assumptions, in comparison with market indices and benchmarks, and; • for the plans we considered as the most significants, we reviewed the independent actuaries reports. We also reconciled the fair-value of plan assets with their market value (listed shares, bonds, swaps) or other external reports (real estate, unlisted shares, investments in infrastructure projects). We also verified that the recorded amendments of rights reflected the agreements signed with the beneficiaries of the plans. For amendments implying estimates on the beneficiaries' behaviors, we corroborated those estimates with the ones observed on similar plan amendments. Then, we verified that the information disclosed on the Note 20 to the consolidated financial statements, in particular the description and changes on plans, the actuarial assumptions, and the sensitivity analysis disclosed, was appropriate.

Valuation of equity-based compensation plans

Note "Accounting rules and policies – Equity-based compensation" and Note 5 to the consolidated financial statements

Key Audit Matter	Our audit approach
Free share plans are granted to management and certain employees at regular intervals. Those equity-based compensations are measured at fair value based on the stock-exchange price at the grant date, taking into account assumptions on the beneficiaries' turnover and the achievement of multi-year performance conditions set by the Board of Directors. The fair value of those plans is recognized in "Other operating expenses" over the vesting period of corresponding rights. For the period ended December 31, 2017, accruals related to free share plans amounted to € 85.8 million. We consider the valuation of equity based compensation plans as a key audit matter, with respect to the sensitivity of the fair value of the plans to assumptions used, in particular the probability of achievement of the multi-year performance conditions, and the potential impact on the net income that may result from any adjustment on these assumptions.	We obtained the minutes of the Board of Directors' Meetings and the plan rules to identify new plans granted during the period and the related achievement conditions attached to those plans. We reviewed the assumptions retained by the management, and, in particular, assessed the consistency of: • the beneficiaries' turnover assumption with respect to the historical turnover observed, and; • the probability of achievement of the multi-year performance conditions in comparison with Group forecasts and mid-term plans. We also verified the integrity of the computation models, including the correct modelling of the assumptions retained, with the support of our actuarial experts. We then verified that the information disclosed within Note 5 to the consolidated financial statements was appropriate.

Verification of the Information Pertaining to the Group Presented in the management report

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the statutory auditors

We have been appointed as statutory auditors of the Company by your General Shareholders' meetings held on December 16, 1993 for Deloitte & Associés, and on October 31, 1990 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés was in its 24th year mandate, of total uninterrupted engagement, and for Grant Thornton in its 22nd year mandate, total uninterrupted engagement, and for both statutory auditors, on 22 years of exercise of mandate since the Company securities were admitted to trading on a regulated market.

Responsibilities of management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de Commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L.822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de Déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés
Jean-Pierre Agazzi

Grant Thornton
French member of Grant Thornton International
Virginie Palethorpe

E.4.2 Consolidated income statement

(in € million)	Notes	12 months ended December 31, 2017	12 months ended December 31, 2016*
Revenue	**Note 2**	**12,691.1**	**12,137.7**
Personnel expenses	Note 3	-5,557.5	-5,564.5
Operating expenses	Note 4	-5,841.6	-5,451.2
Operating margin		**1,292.1**	**1,122.0**
% of revenue		**10.2%**	**9.2%**
Other operating income and expenses	Note 5	-417.2	-295.1
Operating income		**874.9**	**826.9**
% of revenue		**6.9%**	**6.8%**
Net cost of financial debt		-23.6	-20.3
Other financial expenses		-72.2	-78.0
Other financial income		33.8	43.1
Net financial income	Note 6	-62.0	-55.2
Net income before tax		**812.9**	**771.7**
Tax charge	Notes 7-8	-149.0	-141.3
Share of net profit/(loss) of associates		1.2	1.4
NET INCOME		**665.1**	**631.8**
Of which:			
• **attributable to owners of the parent**		**600.7**	**578.8**
• non-controlling interests	Note 9	64.4	53.0

* *December 31, 2016 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, 2017	12 months ended December 31, 2016*
Net income - Attributable to owners of the parent	**Note 10**		
Weighted average number of shares		105,081,802	103,766,609
Basic earnings per share		**5.72**	**5.58**
Diluted weighted average number of shares		105,457,960	104,272,612
Diluted earnings per share		**5.70**	**5.55**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

E.4.3 Consolidated statement of comprehensive income

(in € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Net income	**665.1**	**631.8**
Other comprehensive income		
• **to be reclassified subsequently to profit or loss (recyclable):**	**-254.8**	**-87.6**
Cash flow hedging	0.5	5.1
Change in fair value of available for sale financial assets	3.7	-43.5
Exchange differences on translation of foreign operations	-260.8	-51.5
Deferred tax on items recyclable recognized directly on equity	1.8	2.3
• **not reclassified to profit or loss (non-recyclable):**	**115.5**	**-231.4**
Actuarial gains and losses generated in the period on defined benefit plan	156.9	-300.4
Deferred tax on items non-recyclable recognized directly in equity	-41.4	69.0
Total other comprehensive income	**-139.3**	**-319.0**
Total comprehensive income for the period	**525.8**	**312.8**
Of which:		
• **attributable to owners of the parent**	**463.3**	**277.3**
• non-controlling interests	62.5	35.5

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

E.4.4 Consolidated statement of financial position

(in € million)	Notes	December 31, 2017	December 31, 2016*
ASSETS			
Goodwill	Note 11	4,384.4	4,184.9
Intangible assets	Note 12	1,309.5	1,362.4
Tangible assets	Note 13	692.8	759.6
Non-current financial assets	Note 14	280.9	264.6
Non-current financial instruments	Note 23	0.0	0.1
Deferred tax assets	Note 8	380.9	454.4
Total non-current assets		**7,048.5**	**7,026.0**
Trade accounts and notes receivables	Note 15	2,660.3	2,743.5
Current taxes		33.0	36.0
Other current assets	Note 16	1,474.9	1,568.3
Current financial instruments	Note 23	7.6	10.0
Cash and cash equivalents	Note 18	2,260.1	2,016.5
Total current assets		**6,435.9**	**6,374.3**
TOTAL ASSETS		**13,484.4**	**13,400.3**

(in € million)	Notes	December 31, 2017	December 31, 2016*
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		105.4	104.9
Additional paid-in capital		2,740.2	2,713.1
Consolidated retained earnings		1,497.8	948.4
Translation adjustments		-282.2	-29.4
Net income attributable to the owners of the parent		600.7	578.8
Equity attributable to the owners of the parent		4,661.9	4,315.8
Non-controlling interests		564.1	519.4
Total shareholders' equity		**5,226.0**	**4,835.2**
Provisions for pensions and similar benefits	Note 20	1,349.6	1,549.5
Non-current provisions	Note 21	113.0	167.8
Borrowings	Note 22	1,241.3	1,509.5
Deferred tax liabilities	Note 8	119.0	135.5
Non-current financial instruments	Note 23	0.0	1.4
Other non-current liabilities		4.6	6.3
Total non-current liabilities		**2,827.5**	**3,370.0**
Trade accounts and notes payables	Note 24	2,060.0	2,064.2
Current taxes		100.4	81.5
Current provisions	Note 21	173.0	223.7
Current financial instruments	Note 23	7.3	7.5
Current portion of borrowings	Note 22	711.8	178.8
Other current liabilities	Note 25	2,378.4	2,639.4
Total current liabilities		**5,430.9**	**5,195.1**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**13,484.4**	**13,400.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

E.4.5 Consolidated cash flow statement

(in € million)	Notes	12 months ended December 31, 2017	12 months ended December 31, 2016*
Profit before tax		**812.9**	**771.7**
Depreciation of assets	Note 4	448.4	414.2
Net charge/ (release) to operating provisions		-146.7	-196.7
Net charge/ (release) to financial provisions		37.0	12.8
Net charge/ (release) to other operating provisions		23.4	20.2
Purchase Price Allocation amortization (PPA)	Note 5	109.0	106.1
Losses/ (gains) on disposals of fixed assets		0.1	-40.3
Net charge for equity-based compensation		85.8	49.9
Losses/(gains) on financial instruments		1.3	-0.8
Net cost of financial debt	Note 6	23.6	20.3
Cash from operating activities before change in working capital requirement, financial interest and taxes		**1,394.7**	**1,157.5**
Tax paid		-132.7	-130.6
Change in working capital requirement		-24.8	-8.0
Net cash from/ (used in) operating activities		**1,237.2**	**1,018.9**
Payment for tangible and intangible assets		-526.3	-455.8
Proceeds from disposals of tangible and intangible assets		25.4	30.6
Net operating investments		**-500.9**	**-425.3**
Amounts paid for acquisitions and long-term investments		-410.8	-782.0
Cash and cash equivalents of companies purchased during the period		14.0	-13.2
Proceeds from disposals of financial investments		5.0	39.5
Cash and cash equivalents of companies sold during the period		-2.9	-0.7
Dividend received from entities consolidated by equity method		1.5	1.5
Net long-term investments	**Note 26**	**-393.2**	**-754.9**
Net cash from/ (used in) investing activities		**-894.1**	**-1,180.2**
Capital Increase		-	-
Common stock issues on the exercise of equity-based compensation		18.3	25.4
Capital increase subscribed by non-controlling interests		20.1	3.1
Purchase and sale of treasury stock		-59.3	-
Dividends paid to owners of the parent		-167.6	-47.3
Dividends paid to non-controlling interests		-1.8	-3.1
New borrowings	Note 22	588.7	314.3
New Finance lease	Note 22	5.7	8.6
Repayment of long and medium-term borrowings	Note 22	-293.0	-53.2
Net cost of financial debt paid		-23.6	-20.3
Other flows related to financing activities	Note 22	2.8	20.7
Net cash from/ (used in) financing activities		**90.4**	**248.2**
Increase / (decrease) in net cash and cash equivalents		**433.4**	**87.0**
Opening net cash and cash equivalents		**1,899.6**	**1,826.5**
Increase / (decrease) in net cash and cash equivalents	Note 22	433.4	87.0
Impact of exchange rate fluctuations on cash and cash equivalents		-151.0	-13.8
Closing net cash and cash equivalents		**2,182.1**	**1,899.6**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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
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	**-**	**-**	**-**
December 31, 2016	**104,908**	**104.9**	**2,713.1**
• Common stock issued	537	0.5	27.1
• Appropriation of prior period net income	-	-	-
• Dividends paid	-	-	-
• Equity-based compensation	-	-	-
• Changes in treasury stock	-	-	-
• Acquisition of Non controlling interest without a change in control	-	-	-
Transactions with owners	537	0.5	27.1
• Net income	-	-	-
• Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**
DECEMBER 31, 2017	**105,444**	**105.4**	**2,740.2**

Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
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	0.0	-	0.0
-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	0.0	0.0	-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**
-	-	-	-	27.7	10.9	38.6
578.8	-	-	-578.8	0.0	-	0.0
-167.6	-	-	-	-167.6	-1.8	-169.4
64.0	-	-	-	64.0	2.1	66.1
-59.3	-	-	-	-59.3	-	-59.3
18.1	-	-	-	18.1	-29.0	-10.9
434.0	0.0	0.0	-578.8	-117.1	-17.8	-134.9
			600.7	600.7	64.4	665.1
112.1	-252.8	3.3		-137.4	-1.9	-139.3
112.1	**-252.8**	**3.3**	**600.7**	**463.3**	**62.5**	**525.8**
1,495.8	**-282.2**	**2.0**	**600.7**	**4,661.9**	**564.1**	**5,226.0**

E.4.7 Notes to the consolidated financial statements

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, 95,870 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 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 Director.

The consolidated financial statements of the Group for the twelve months ended December 31, 2017 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 Director on February 20, 2018. The consolidated financial statements will then be submitted to the approval of the General Meeting of shareholdersscheduled to take place on May 24, 2018.

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, 2017 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2017. 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: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/law-details_en

As of December 31, 2017, 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, 2017 had no material impact on the consolidated financial statements:

- amendment to IAS 7 - Disclosure Initiative;
- amendment to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses;
- annual improvements to IFRSs 2014-2016 Cycle – various standards (Amendment to IFRS 12).

A number of new standards are effective for annual periods beginning as of January 1, 2018 and an earlier application is permitted. However, the Atos Group has not early applied the following new or amended standards in preparing these consolidated statements.

IFRS 15

IFRS 15, applicable to Atos Group starting January 1, 2018 is expected to have a material impact on the Group's financial statements.

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 Constructions Contracts and IFRIC 13 Customers Loyalty Programs. IFRS 15 is effective for Atos Group starting January 1, 2018. Atos took part in Syntec Numérique task force to assess the impacts of this new standard in the computer services companies and conducted an analysis in its contracts portfolio to identify impacts in its consolidated financial statements which are the following:

Principal versus agent

The Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of its contracts when the Group is reselling hardware, software or IT services.

Under IAS 18, the Group currently applies a risks and rewards analysis to determine whether it is acting as an agent or as principal in a transaction. Under IFRS 15, the Group is considered as acting as principal if it controls goods and services before delivering them to the client.

Identification of the performance obligations in the multiple arrangements services contracts

Contracts delivered by Infrastructure & Data Management and Business & Platform Solutions Divisions often embed transition and transformation phases prior to delivery of recurring services. The new standard clarifies the treatment of such activities performed before delivering recurring services.

Under IFRS 15, when such transition and transformation phases represent added value to the customer resulting in a transfer of control, then revenue relating to those phases can be recognized. When this is not the case, costs incurred on those phases have to be capitalized when criteria required are met and amortized over the life of the contracts. The cash collected for such phases would have to be considered as advance payment.

Under IAS 18, Atos Group used to recognize revenue on some transition phases when the Group had right to be paid for the work performed to date. Under IFRS 15, transition phases will now be capitalized as contract assets and amortized over the life of the contract. This restatement is not material at Group level.

Costs to acquire a contract

Under IFRS 15, incremental costs to acquire a contract have to be capitalized. Such change has no major impacts at Group level.

Financial impacts at Group level

The Group will adopt the full retrospective method with restatement of 2017 comparative figures. 2017 revenue will decrease by circa -5 %, most of the impact being generated by principal versus agent restatements. The cumulative effect in equity as of January 1, 2017 will be nil.

IFRS 16

IFRS 16, applicable to Atos Group starting January 1, 2019 is expected to have a material impact on the Group's financial statements.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. 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. There are recognition exemptions for short-term leases and leases of low-value items.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. Atos Group, as a lessee, will have to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has completed an intitial assessment of potential impact on its consolidated financial statements but has not yet completed its detailed assessment. So far, the most significant impact identified it that the Group will recognize assets and liabilities for its operating leases of Real Estate and IT equipment. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liablities.

IFRS 9

The Group is required to adopt IFRS 9 Financial Instruments from January 1, 2018. IFRS 9 application will have no material impact on the Group consolidated Fiancial Statements.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The following three main areas have been amended by IFRS 9.

Classification of Financial assets

IFRS 9 defines a new classification and measurement approach for financial assets. There are three principal classification categories for financial assets: measured at amortized cost, Fair Value Through OCI (FVOCI), Fair Value through Profit and Loss (FVTPL). Based on its current assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans, investments in receivables, contract assets, loans, and cash and cash equivalent.

Impairment of financial assets and contract assets

IFRS 9 introduces a new forward-looking "expected loss" impairment model which will replace the existing "incurred loss" impairment model.

Trade and other receivables, including contract assets

The Group has assessed the actual credit losses experienced over the past several years and estimated that the application of IFRS 9's impairment requirement at 1 January 2018 results in no material impact over the impairment recognized under IAS 39.

Cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties, majority of which are rated from A- to AA-. The Group used not to depreciate such assets. The estimated impairment on cash and cash equivalent was calculated based on the S&P default probability and is not material on the Group consolidated financial statements.

Hedge accounting

While initially applying IFRS 9, the Group has to choose as its accounting policy to continue to apply the hedge accounting requirement of IAS 39 instead of the requirements in IFRS 9. The Group has elected to apply the new requirements of IFRS 9.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationship. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve.

The estimated impact on reserves and retained earnings at 1 January 2018 as result of the application of IFRS 9 hedge accounting requirements is decrease in reserves and retained earnings and an increase in OCI by € 6.3 million.

Other standards

The following other standards, non-mandatory as of January 1, 2017 and potentially applicable to the Group consolidated financial statements, are not expected to have a significant impact on Atos Group's consolidated financial statements:

- annual Improvement to IFRSs 2014-2016 Cycle – Amendements to IFRS 1 and IAS 28;
- amendment to IFRS 2 Classification and Measurement of Share-based Payment;
- transfers of Investment property (Amendment to IAS 40);
- Sale or Contribution of Assets between an Investor and its Associate or Joint venture (Amendment to IFRS 10 and IAS 28);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax treatments.

Ceased discontinued operations and held for sale classifications of Unified Communication & Collaboration (UCC – former Unify S&P)

The Atos Group decided, as early as the Unify acquisition date, on January 20, 2016, to put up for sale the Software & Platforms business (UCC). The UCC 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 was still engaged in an active process to sell UCC business and was in discussion with potential buyers. As such, the discontinued treatment was maintained.

In the published 2016 consolidated financial statements, the flows relating to the services rendered by the continuing operations to UCC were eliminated at the UCC level. As a result, the External Revenue of the Atos Group included revenue related to such flows. In the 2016 consolidated statement of financial position, the net assets allocated to the UCC were presented on the line "Assets held for sale" and net liabilities on the line "Liabilities held for sale". The net income of the UCC business from February 1 to December 31, 2016 was presented under the "net income from discontinued operations" caption of the published consolidated income statement.

In April 2017 based on the status of the discussions with the potential buyers, the Board of Director decided to terminate those discussions, considering that integrating UCC in Atos operations would represent a higher value for Atos shareholders.

Therefore the sale was not any more highly probable and consequently the accounting treatment as discontinued operations and held for sale was no longer justified. The 2017 consolidated financial statements, including Notes, include a full restatement of the 2016 consolidated financial statements as if UCC was fully consolidated in 2016.

Change in intermediation activities of Worldline

Acquiring is part of the business of Worldline consisting in contracting with merchants for payment card acceptance. The key role of an acquirer is to transfer to the merchant's bank account the funds received in a card transaction from the cardholder's issuing bank.

Through this intermediation activity, Worldline and its affiliates are facing cash fluctuations due to the lag that may exist between the payment to the merchants and the receipt of the funds from the payment schemes (Visa, MasterCard or other schemes). Payment Schemes also define interchange fees that apply except if there is a bilateral agreement between the acquirer and the issuer. Worldline has no such bilateral agreement with the Issuers. Interchange fees are consequently completely driven by the rates defined by the Schemes.

In the past, the Group had elected to net the assets and liabilities related to its intermediation activities (funds received in advance and payables to merchants). With respect to interchange fees collected from merchants, the Group used to consider them as a cash item and to recognize a liability for the corresponding payments to be made to the issuers. Interchange fees positions were not netted.

In recent years, Worldline completed several acquisitions in the acquiring business and witnessed that in some instances the time lag of intermediation flows was not as short as that experienced by the Company in the past. In addition, the Company noted that the de-netted presentation of the flows had become a common practice among large acquiring listed players publishing their Financial Statements in IFRS or US Gaap.

In order to take into account the new variety of its acquiring activities and allow for a better comparability of its financial statements with its main peers, Atos and Worldline decided to stop netting and to change the presentation of its balance sheet by isolating in dedicated lines assets and liabilities related to its intermediation activities (including interchange fees for consistency purposes). Atos and Worldline believe that this change provides reliable and more relevant information about effects of acquiring transactions on Atos and Worldline consolidated financial position. This change has been applied retrospectively and Atos has restated its opening statement of financial position accordingly presenting those intermediation positions in other current assets and other current liabilities.

The effects of the change of presentation on the cash are: €-47 million on 2016 opening net cash, €-3.9 million on 2016 free cash flow, and €-51 million on 2017 opening net cash.

The impact on other current assets (assets linked to intermediation activities) presented in Note 16 is the same in the other current liabilities in Note 25.

Presentation

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. 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 Director 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.

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 years 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 ANC's (Autorité des Normes Comptables) 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-months 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, equity based compensation expenses 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 an other operating income 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 Director, 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

The Services activities of Unify have been integrated in the Atos Division "Infrastructure & Data Management" from February 1, 2016 and the UCC (former S&P) activities have been accounted for as discontinued operations.

Further to the decision of the Board of Director in April 2017 to terminate the discussions with the potential buyers, UCC is no longer held for sale and has been fully consolidated starting January 1, 2017 leading to an update of the purchase price allocation. 2016 consolidated financial statements were restated as if UCC was fully consolidated in 2016.

Identifiable assets acquired and liabilities assumed at the date of acquisition

(in € million)	Assets acquired and liabilities assumed at the end of the measurement period
Intangible assets	197.9
Tangible assets	16.9
Non-current financial assets	57.4
Total non-current assets	**272.2**
Trade accounts and Notes receivables	291.4
Current taxes	6.0
Other current assets	465.8
Cash and cash equivalents	102.8
Total current assets	**866.0**
TOTAL ASSETS (A)	**1,138.2**
Provisions for pensions and similar benefits	226.9
Non-current provisions	178.8
Borrowings	11.1
Deferred tax liabilities	39.7
Total non-current liabilities	**456.5**
Trade accounts and Notes payables	195.0
Other current liabilities	613.3
Total current liabilities	**808.3**
TOTAL LIABILITIES (B)	**1,264.7**
Fair value of acquisition (A) - (B)	**-126.6**

The valuation of assets acquired and liabilities assumed for Unify resulted in the recognition of customer relationships and backlog for an amount of € 108.6 million. The customer relationships is amortized over a period from 2 to 10 years. Trade name and trademarks have been recognized for € 55.7 million and technologies for € 33.4 million. Those valuations have been performed by an independent expert.

The amortization of the customer relationships, backlog and technologies is € 19.6 million in 2017.

Final goodwill

Goodwill was recognized as follows:

(in € million)	At the end of the measurement period
Consideration paid [A]	346.5
Fair value of identifiable net assets [B]	-126.6
Final Goodwill [A] - [B]	**473.0**

The goodwill arising from this acquisition is not tax deductible.

Equens and Paysquare acquisition

After the completion of the regulatory processes in the Netherlands, in Belgium, and in Czech Republic the transactions with Equens, 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 was held at 44.6 % by Atos Group at October 1, 2016.

In accordance with IFRS 3, this operation has been treated as a business combination with the takeover of equensWorldline by the Group and the sale to the previous shareholders of Equens of a non-controlling interest in the Financial Services Business.

As the transaction is non cash, the consideration transferred by the Group to the previous shareholders of Equens corresponds to 36.4 % of the fair value of the Financial Services Business (on the basis of a valuation of € 700.0 million by an independent expert for the full business) and to the counterpart received by the Group of 63.6 % of the fair value of Equens (on the basis of a valuation of € 400.3 million by an independent expert for the full business).

The net assets and liabilities acquired from Equens have been booked at fair value in the Group consolidated financial statements. The net 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 previous Equens' shareholdersfor € 5.5 million.

The impacts of the Business combination in the equity of the Group are as follows:

(in € million)	Consideration transferred from Worldline	Consideration transferred from Equens	Total consideration
Group share	-5.5	178.5	173,1
Non controlling interests	5.5	221.8	227,2
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. The cash consideration paid is € 116.4 million. Paysquare is fully consolidated in Atos Group since October 1, 2016. Paysquare was held at 70.12 % by Atos Group at October 1, 2016.

The fair value of Equens and Paysquare net assets acquired are set out in the table below:

(in € million)	Assets acquired and liabilties assumed at the end of the measurement period
Fixed assets	178.2
Net debt	36.6
Provisions	-55.3
Other net assets	-48.4
Fair value of acquisition	**111.1**

Identifiable assets acquired and liabilities assumed have been further analyzed during the window period, which finished at the end of September 2017, based on the better understanding of Equens-Paysquare acquired business. This analysis led to decrease by € 36.7 million of the equity acquired mainly due to impairment of assets, originating prior to September 30, 2016.

Goodwill

The Group has opted to measure the non-controlling interests at fair value (full Goodwill method).

(in € million)	Goodwill
Consideration transferred for Equens	178.5
Consideration transferred for Paysquare	116.4
Total Consideration [A]	**294.9**
Fair Value of Non controlling Interest [B]	**221.8**
Equity acquired (Equens & Paysquare)	42.7
Customer Relationships acquired net of deferred tax	68.4
Fair Value of net assets [C]	**111.1**
TOTAL [A] + [B] - [C]	**405.6**

The customer relationships was recognized for an amount of € 92.0 million and is amortized over a period from 6.5 to 9.5 years. Those valuations have been performed by an independent expert.

The Goodwill arising from this acquisition is not tax deductible.

Other acquisitions

North America

- Anthelio

On September 12, 2016, Atos acquired (and fully consolidated starting on October 1, 2016) Anthelio Healthcare solutions (Anthelio), the largest independent provider of healthcare technology solutions in North America for a consideration paid of € 269.3 million generating a Goodwill of € 180.4 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.

- Zdata

On February 17, 2017, Atos acquired Zdata, a leader in Big Data consulting and solutions for both commercial and enterprise corporations in the US. This entity is fully consolidated starting on March 1, 2017.

- Pursuit & Conduent (healthcare consulting companies)

During the second half of 2017, following the acquisition of Anthelio Healthcare Solutions in 2016, Atos acquired Pursuit Healthcare Advisors (Pursuit), as well, and Conduent’s Healthcare Provider Consulting business and Conduent’s Breakaway Group business (Conduent) on September 29, 2017 (and fully consolidated starting on October 1, 2017). These companies bring recognized industry expertise within healthcare consulting to enable Atos to eXpand its presence in the fast-growing US digital health IT market. The consideration amounted to € 80.1 million generating a preliminary goodwill of € 60.8 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 € 12 million of which € 7.3 million for customer relationships determined by an independent expert amortized.

United Kingdom: Engage ESM

On December 30, 2016, Atos acquired Engage ESM in the United Kingdom, a leading provider in the enterprise-service management sector and a ServiceNow Gold Services Partner. This acquisition will enable 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. This entity is fully consolidated since January 1, 2017.

France: Imakumo

During the second half of 2017, Atos acquired Imakumo, a "Gold ServiceNow Partner" with circa 70 certified consultants mainly based in France. This entity is fully consolidated starting on October 1, 2017.

Worldline: First Data Baltics, Digital River World Payments and MRL Posnet

During the second half of 2017, Atos completed acquisitions of First Data Baltics ("FDB"), Digital River World Payments ("DRWP") and MRL Posnet ("MRL"). FDB is consolidated since October 1, 2017 and DRWP and MRL since November 1, 2017.

Those acquisitions led to the recognition of customer relationships and technologies for € 59.5 million amortized respectively over a period from 14 to 16 years and from 8 to 9 years. The preliminary goodwill amounted to € 126.0 million. The total consideration was € 218.8 million.

Through those acquisitions, Atos gains leading positions in fast-growing countries such as the Baltics countries or India and significant development perspectives in online payments. Numerous synergy levers with Atos portfolio have also been identified allowing the acceleration of both revenue and profitability.

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 Director who makes strategic decisions.

In 2017, activities in Belarus, Lithuania, Poland and Russia were transferred to the Business Unit "Benelux & The Nordics".

Operating segments in 2016	Bridge	Operating segments in 2017
Other Business Units	Belarus, Lithuania, Poland and Russia	Benelux & The Nordics

As a result of these changes, the Group segment organization in 2017 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 the Morocco offshore delivery Center.
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.
Benelux & The Nordics	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Belgium, Belarus, Denmark, Estonia, Finland, Lithuania, Luxembourg, Poland, Russia, Sweden and The Netherlands.
Other Business Units	Business & Platform Solutions, Infrastructure & Data Management and Big Data & Cybersecurity in Algeria, Andorra, Argentina, Australia, Austria, Bosnia & Herzegovina, Brazil, Bulgaria, China, Chile, Colombia, South Korea, Croatia, Cyprus, Czech Republic, Egypt, Gabon, Greece, Hong-Kong, Hungary, India, Italy, Ivory Coast, Japan, Lebanon, Madagascar, Malaysia, Mauritius, Morocco, Namibia, New-Zealand, Peru, Philippines, Portugal, Qatar, Romania, Saudi-Arabia, Senegal, Serbia, Singapore, 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, Brazil, Chile, China, Czech Republic, Finland & Baltics, France, Germany, Hong-Kong, Iberia, India, Indonesia, Italy, Luxembourg, Malaysia, Poland, Singapore, Sweden, Taiwan, The Netherlands, the United Kingdom and the United States of America.

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 31 December 2017*				
External revenue by segment	**1,714.6**	**1,725.0**	**2,251.2**	**2,230.9**
% of Group revenue	13.5 %	13.6 %	17.7 %	17.6 %
Inter-segment revenue	234.9	337.7	442.7	377.3
Total revenue	1,949.5	2,062.7	2,693.9	2,608.2
Segment operating margin	**181.3**	**162.5**	**190.5**	**265.7**
% of margin	10.6 %	9.4 %	8.5 %	11.9 %
Total segment assets	**919.9**	**1,892.8**	**1,497.1**	**986.7**
Other information on income statement				
Depreciation of assets	-42.3	-24.8	-66.8	-115.9
Other informations				
Year end headcount	9,009	11,948	9,540	9,279
Capital expenditure	31.6	44.2	102.6	94.6
Net cash	174.9	131.1	339.9	103.7
12 months ended 31 December 2016 (*)				
External revenue by segment	**1,800.6**	**1,708.6**	**2,184.0**	**2,088.3**
% of Group revenue	14.8 %	14.1 %	18.0 %	17.2 %
Inter-segment revenue	189.4	308.0	345.5	228.0
Total revenue	1,990.0	2,016.6	2,529.5	2,316.3
Segment operating margin	**235.1**	**122.6**	**188.8**	**237.7**
% of margin	13.1 %	7.2 %	8.6 %	11.4 %
Total segment assets	**961.2**	**1,755.1**	**1,653.9**	**1,261.0**
Other information on income statement				
Depreciation of assets	-49.0	-29.4	-56.4	-113.1
Other informations				
Year end headcount	9,063	12,714	10,140	10,875
Capital expenditure	45.1	28.0	106.7	81.6
Net cash	160.5	72.2	343.6	210.2

(*) December 31, 2016 adjusted to reflect change in presentation disclosed in "Basic of preparation and significant accounting polices"

	Benelux & The Nordics	Other Business Units	Worldline	Total Operating segments	Global Structures	Elimination	Total Group
	1,083.6	**2,135.9**	**1,550.0**	**12,691.1**	**0.0**		**12,691.1**
	8.5 %	16.8 %	12.2 %	100.0 %			100.0 %
	246.3	1,592.3	44.2	3,275.5	112.7	-3,388.2	0.0
	1,329.9	3,728.2	1,594.2	15,966.6	112.7	-3,388.2	12,691.1
	94.3	**224.0**	**253.1**	**1,371.4**	**-79.3**		**1,292.1**
	8.7 %	10.5 %	16.3 %	10.8 %			10.2 %
	662.9	**1,615.3**	**2,256.9**	**9,831.7**	**978.8**	**-**	**10,810.4**
	-30.9	-58.1	-90.5	-429.3	-19.1		-448.4
	6,216	40,497	9,467	95,956.3	1,310		97,267
	64.9	61.0	106.6	505.4	20.9		526.3
	81.5	778.8	304.7	1,914.6	-1,607.2		307.4
	1,091.2	**2,003.5**	**1,261.5**	**12,137.7**	**0.0**		**12,137.7**
	9.0 %	16.5 %	10.4 %	100.0 %			100.0 %
	222.0	1,206.5	49.4	2,548.8	86.7	-2,635.6	-
	1,313.2	3,210.0	1,310.9	14,686.6	86.7	-2,635.6	12,137.7
	77.1	**161.4**	**196.9**	**1,219.7**	**-97.7**		**1,122.0**
	7.1 %	8.1 %	15.6 %	10.0 %			9.2 %
	711.7	**1,630.3**	**1,942.7**	**9,915.8**	**977.6**	**-**	**10,893.4**
	-34.8	-64.7	-54.6	-401.9	-12.3		-414.2
	6,972	40,382	8,725	98,871	1,225		100,096
	41.8	56.9	83.4	443.4	12.4		455.8
	36.3	658.7	347.7	1,829.2	-1,500.5		328.7

The assets detailed above by segment are reconciled to total assets as follows:

(in € million)	December 31, 2017	December 31, 2016 (*)
Total segment assets	**10,810.4**	**10,893.4**
Tax Assets	413.9	490.4
Cash & Cash Equivalents	2,260.1	2,016.5
Total Assets	**13,484.4**	**13,400.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

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 31 DECEMBER 2017					
External revenue by segment	**7,143.8**	**3,243.3**	**753.9**	**1,550.0**	**12,691.1**
% of Group revenue	56.3 %	25.6 %	5.9 %	12.2 %	100.0 %
12 months ended 31 December 2016 *					
External revenue by segment	**7,019.3**	**3,191.5**	**665.5**	**1,261.5**	**12,137.7**
% of Group revenue	57.8 %	26.3 %	5.5 %	10.4 %	100.0 %

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Note 3 Personnel expenses

(In € million)	12 months ended 31 December 2017	% Revenue	12 months ended 31 December 2016 *	% Revenue
Wages and salaries	-4,443.7	35.0 %	-4,452.3	36.7 %
Social security charges	-1,166.9	9.2 %	-1,183.1	9.7 %
Tax, training, profit-sharing	-31.7	0.2 %	-42.9	0.4 %
Net (charge)/release to provisions for staff expenses	2.7	0.0 %	-0.2	0.0 %
Net (charge)/release of pension provisions	82.1	-0.6 %	114.1	-0.9 %
TOTAL	**-5,557.5**	**43.8 %**	**-5,564.5**	**45.8 %**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Note 4 Non personnel operating expenses

(In € million)	12 months ended 31 December 2017	% Revenue	12 months ended 31 December 2016 *	% Revenue
Subcontracting costs direct	-1,979.1	15.6 %	-1,833.3	15.1 %
Hardware and software purchase	-1,516.4	11.9 %	-1,398.0	11.5 %
Maintenance costs	-562.6	4.4 %	-523.7	4.3 %
Rent & Lease expenses	-579.7	4.6 %	-550.6	4.5 %
Telecom costs	-313.8	2.5 %	-298.7	2.5 %
Travelling expenses	-165.7	1.3 %	-165.6	1.4 %
Company cars	-59.3	0.5 %	-67.4	0.6 %
Professional fees	-233.6	1.8 %	-228.0	1.9 %
Taxes & Similar expenses	-22.3	0.2 %	-27.3	0.2 %
Others expenses	-107.4	0.8 %	-103.6	0.9 %
Subtotal expenses	**-5,539.9**	**43.7 %**	**-5,196.3**	**42.8 %**
Depreciation of assets	-448.4	3.5 %	-414.2	3.4 %
Net (charge)/release to provisions	61.8	-0.5 %	91.5	-0.8 %
Gains/(Losses) on disposal of assets	-5.9	0.0 %	-26.1	0.2 %
Trade Receivables write-off	-30.1	0.2 %	-15.7	0.1 %
Capitalized Production	120.9	-1.0 %	109.7	-0.9 %
Subtotal other expenses	**-301.7**	**2.4 %**	**-254.9**	**2.1 %**
TOTAL	**-5,841.6**	**46.0 %**	**-5,451.2**	**44.9 %**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 5 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 417.2 million in 2017. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Staff reorganization	-82.9	-88.7
Rationalization and associated costs	-37.9	-42.3
Integration and acquisition costs	-42.5	-32.5
Amortization of intangible assets (PPA from acquisitions)	-109.0	-106.1
Equity based compensation	-85.8	-49.9
Other items	-59.1	24.3
TOTAL	**-417.2**	**-295.1**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

The € 82.9 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as France, the Netherlands and the United Kingdom.

The € 37.9 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America (€ 9.3 million), Germany (€ 9.2 million) and France (€ 8.4 million).

The € 42.5 million **integration and acquisition costs** mainly related to the execution of Unify, equensWorldline, Paysquare and Anthelio integrations, and to the migration and standardization of internal IT platforms from acquired companies.

The 2017 **amortization of intangible assets recognized in the Purchase Price Allocation (PPA)** of € 109.0 million was mainly composed of:

- € 27.9 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 20.0 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 19.6 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16.5 million of Bull customer relationships and patents amortized over respectively 9.3 years and 7 to 10 years starting September 1, 2014;
- € 10.0 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016; and
- € 8.9 million of Anthelio customer relationships amortized over 6 to 12 years starting October 1, 2016.

In 2016, the gain on the sale of Worldline's share in Visa Europe to Visa Inc. for € 51.2 million was included in **other items**. In 2017, following the acceleration of significant cyberattacks such as WannaCry and NotPetya as well as to prepare a faster implementation of GDPR (General Data Protection Regulation), the Group ran specific programs to reinforce its skills; this exceptional effort amounted to approximately € 20 million. The Group also decided to settle several longstanding litigations and incurred expenses related to specific semi retirement schemes for respectively around € 10 million and € 10 million.

Equity-based compensation

The € 85.8 million expense recorded within other operating income relating to equity-based compensation (€ 49.9 million in 2016) is made up of:

- € 77.9 million related to free shares plans granted from 2013 until 2017 of which € 9.3 million of 2017 free shares plans granted;
- € 7.9 million related to stock options plans implemented from 2012 until 2016.

The equity-based compensation plans are detailed by year and by nature as follows:

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2016
By years :		
Plans 2017	9.3	-
Plans 2016	31.6	10.1
Plans 2015	22.8	13.7
Plans 2014	16.5	19.7
Plans 2013	5.3	6.8
Plan 2012	0.3	-0.7
Plan 2011	-	0.3
TOTAL	**85.8**	**49.9**
By category of plans :		
Free share plans	77.9	37.8
Stock options	7.9	9.5
Employee share purchase plans	-	2.6
TOTAL	**85.8**	**49.9**

Free shares plans

In 2017, the Groups Atos and Worldline implemented each two grants detailed as follows:

Grant Date	Worldline January 2, 2017	Worldline July 24, 2017	Atos July 24, 2017	Atos 25 July 2017
Number of shares granted	229,500	441,000	38,738	777,910
Share price at grant date *(€)*	26.78	33.24	123.15	127.58
Vesting date	February 1, 2019; September 1, 2019; April 1, 2020	July 24, 2020	July 24, 2020	July 25, 2020
Expected life *(years)*	2.0 / 2.65 / 3.25	3	3	3
Lock-up period *(years)*	-	-	-	-
Risk free interest rate *(%)*	-	-	-	-
Borrowing-lending spread *(%)*	-	-	-	-
Expected dividend yield *(%)*	1.1	1.1	1.2	1.2
Fair value of the instrument (€)	**26.17 / 26.00 / 25.84**	**32.16**	**118.80**	**123.07**
EXPENSE RECOGNIZED IN 2017 (IN € MILLION)	**1.3**	**1.6**	**0.7**	**5.7**

Atos free shares plans

Rules governing the free share plans in Group Atos are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Atos;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Group Free Cash Flow (FCF);
  - Group Operating Margin (OM); and
  - Group revenue growth.
- The vesting period varies according to the plans rules but never exceeds 4.5 years;
- The lock-up period is 0 to 2 years;
- Atos free share plans are equity-settled.

Previous plans impacting 2017 P&L charge detailed as follows:

	Atos July 24, 2013	Atos July 28, 2014	Atos July 1, 2015	
Grant Date		**Foreign plan**		**Foreign plans**
Number of shares granted	391,105	389,805	15,623	21,194
Share price at grant date *(€)*	57.93	55.74	66.98	
Vesting date	July 24, 2017	July 28, 2018	January 1, 2017	July 1, 2017
Expected life *(years)*	4	4	1.5	2
Lock-up period *(years)*	-	-	-	-
Risk free interest rate *(%)*	-	-	-	-
Borrowing-lending spread *(%)*	-	-	-	-
Expected dividend yield *(%)*	1.2	1.2	1.2	
Fair value of the instrument (€)	**56.08**	**53.13**	**65.79**	**65.39**
EXPENSE RECOGNIZED IN 2017 (IN € MILLION)	**2.4**	**4.2**	**0.5**	

	Atos July 28, 2015		Atos July 26, 2016
Grant Date	**French plan**	**Foreign plan**	
Number of shares granted	358,000	510,000	947,884
Share price at grant date *(€)*	69.07		86.05
Vesting date	January 2, 2018	January 2, 2020	July 26, 2019
Expected life *(years)*	2.5	4.5	3
Lock-up period *(years)*	2.0	-	-
Risk free interest rate *(%)*	0.15	-	-
Borrowing-lending spread *(%)*	4.0	-	-
Expected dividend yield *(%)*	1.2		1.2
Fair value of the instrument (€)	**61.31**	**65.89**	**83.00**
EXPENSE RECOGNIZED IN 2017 (IN € MILLION)	**21.5**		**27.3**

Subsidiaries free share plans

Rules governing the subsidiaries free share plans are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the subsidiaries or a company employee related to the subsidiaries;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Free Cash Flow (FCF);
  - Operating Margin before Depreciation and Amortization (OMDA) for Worldline plans or Operating Margin (OM) for Bull plans; and
  - Revenue growth.
- The vesting period varies according to the plans rules but never exceeds 3.5 years;
- Worldline free share plans are equity-settled whereas for Bull free share plans, following the acquisition date, Bull beneficiaries can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through the terms defined in the liquidity contract;
- The number of shares are subject to a multiplier from 50% to 150% according to an under/over performance;
- The lock-up period is 0 to 2 years.

Subsidiaries previous plans impacting 2017 P&L charge detailed as follows:

Grant Date	Bull August 9, 2013	Bull July 1, 2014	Worldline July 25, 2016 French plan	Worldline July 25, 2016 Foreign plan
Number of shares granted	319,000	1,115,000	229,250	133,000
Share price at grant date *(€)*	4.90	4.90	26,865	
Vesting date	August 9, 2015	December 31, 2017	July 25, 2018	July 25, 2019
Expected life *(years)*	2	3.5	2	3
Lock-up period *(years)*	2	-	1	-
Risk free interest rate *(%)*	-	-	-0.047	-
Borrowing-lending spread *(%)*	-	-	4.0	-
Expected dividend yield *(%)*	-	-	1.1	1.1
Fair value of the instrument (€)	**10.99**	**10.99**	**26.28**	**25.99**
EXPENSE RECOGNIZED IN 2017 (IN € MILLION)	**1.3**	**7.6**	**2.9**	**0.9**

With regards to the liquidity contract stipulating the conversion of shares either in Atos share or in cash from the acquisition date, the breakdown for the Bull free share plans acquired was as follows at December 31, 2017:

	Conversion in Atos shares			Conversion in Cash		
	Number of shares initially granted	Number of shares	Total cost *(in € million)*	Number of shares	Total cost *(in € million)*	Number of outstanding shares not converted as of December 31, 2017
August 9, 2013	319,000	9,600	0.1	194,000	2.1	54,500
June 1, 2014	1,115,000	-	-	-	-	820,897
TOTAL	**1,434,000**	**9,600**	**0.1**	**194,000**	**2.1**	**875,397**

Stock options plans

The Group recognized a total expense of € 7.9 million during the year related to former stock options plans implemented in Worldline and Bull entities detailed as follows:

Grant date	Number of options initially granted	Vesting Date	Number of options vested	2017 expense *(in € million)*
Bull				
March 2, 2012	985,000	March 2, 2016	687,500	0.3
March 1, 2013	755,000	March 1, 2017	576,250	0.5
August 9, 2013	600,000	August 9, 2017	443,750	0.9
November 8, 2013	70,000	November 8, 2017	70,000	0.2
March 14, 2014	200,000	March 14, 2018	N/A	0.5
July 1, 2014	2,030,000	July 1, 2018	N/A	4.2
Worldline				
September 1, 2015	1,558,500	May 15, 2017	1,404,000	0.8
May 25, 2016	196,000	May 25, 2018	N/A	0.4
August 16, 2016	45,000	May 25, 2018	N/A	0.1
TOTAL				**7.9**

Atos stock options plans

The change in outstanding share options for Atos SE during the period was the following:

	12 months ended December 31, 2017		12 months ended 31 December 2016	
	Number of shares	Weighted average strike price *(in €)*	Number of shares	Weighted average strike price *(in €)*
Outstanding at the beginning of the year	**648,629**	**34.1**	**1,294,524**	**40.0**
Exercised during the year	-241,705	32.9	-496,607	35.1
Expired during the year	-217	43.2	-149,288	60.0
Outstanding at the end of the year	**406,707**	**34.0**	**648,629**	**34.1**
Exercisable at the end of the year, below year-end stock price*	**406,707**	**34.0**	**648,629**	**34.1**

* *Year-end stock price: € 121.35 at December 31, 2017 and € 100.25 at December 31, 2016.*

Bull stock options plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the former Group Bull;
- Vesting is also conditional on the continued employment condition;
- Four vesting periods by portion of 25% of the total of the plan;
- Following the acquisition date, 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.

Grant Date	March 2, 2012	March 1, 2013	August 9, 2013
Number of shares granted	985,000	755,000	600,000
Share price at grant date *(€)*	4.90	4.90	4.90
Strike price *(€)*	3.16	3.28	2.50
Vesting date	25% March 2, 2013 25% March 2, 2014 25% March 2, 2015 25% March 2, 2016	25% March 1, 2014 25% March 1, 2015 25% March 1, 2016 25% March 1, 2017	25% August 9, 2014 25% August 9, 2015 25% August 9, 2016 25% August 9, 2017
Expected volatility *(%)*	28.77	34.43	34.50
Expected maturity of the plan *(year)*	4.5	4.5	4.5
Risk free interest rate *(%)*	0.08	0.13	0.17
Expected dividend yield *(%)*	-	-	-
Fair value of the option granted at December 31, 2017 *(€)*	**-**	**-**	**8.49**
Fair value of the option acquired - Average at December 31, 2017 *(€)*	**3.03**	**6.22**	**8.44**
Expense recognized in 2017 *(in € million)*	**0.3**	**0.5**	**0.9**

Grant Date	November 8, 2013	March 14, 2014	July 1, 2014
Number of shares granted	70,000	200,000	2,030,000
Share price at grant date *(€)*	4.90	4.90	4.90
Strike price *(€)*	3.20	3.81	4.99
Vesting date	25% November 8, 2014 25% November 8, 2015 25% November 8, 2016 25% November 8, 2017	25% March 14, 2015 25% March 14, 2016 25% March 14, 2017 25% March 14, 2018	25% July 1, 2015 25% July 1, 2016 25% July 1, 2017 25% July 1, 2018
Expected volatility *(%)*	34.36	34.47	35.39
Expected maturity of the plan *(year)*	4.5	4.5	4.5
Risk free interest rate *(%)*	0.19	0.23	0.27
Expected dividend yield *(%)*	-	-	-
Fair value of the option granted at December 31, 2017 *(€)*	**-**	**7.19**	**6.02**
Fair value of the option acquired - Average at December 31, 2017 *(€)*	**8.18**	**-**	**-**
Expense recognized in 2017 *(in € million)*	**0.2**	**0.5**	**4.2**

With regards to the liquidity contract stipulating the conversion of options either in Atos share or in cash from the acquisition date, the breakdown for the Bull stock options plans acquired was as follows at December 31, 2017:

	Conversion in Atos shares			Conversion in Cash		
	Number of options initially granted	Number of options	Total cost *(in € million)*	Number of options	Total cost *(in € million)*	Number of outstanding options not converted as of December 31, 2017
March 2, 2012	985,000	26,250	0.1	661,250	2.0	-
March 1, 2013	755,000	25,000	0.2	551,250	3.4	-
August 9, 2013	600,000	17,500	0.2	293,750	2.5	132,500
November 8, 2013	70,000	35,000	0.3	35,000	0.3	-
TOTAL	**2,410,000**	**103,750**	**0.8**	**1,541,250**	**8.2**	**132,500**

Worldline stock options plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the Group Worldline or a company employee related to Worldline;
- Vesting is also conditional on the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Free Cash Flow (FCF);
  - Operating Margin before Depreciation and Amortization (OMDA); and
  - Revenue growth.
- The vesting period varies according to the plans rules but never exceeds 2 years;
- The option expiration date varies according to the plans rules but never exceeds 8.5 years after the vesting date;
- The exercise of the option is equity-settled.

The characteristics of each current stock options plans of Worldline are detailed as follows:

Grant Date	September 1, 2015	May 25, 2016	August 16, 2016
Number of shares granted	1,558,500	196,000	45,000
Share price at grant date *(€)*	21.38	27.10	27.35
Strike price *(€)*	22.87	26.82	28.58
Vesting date	May 15, 2017	May 25, 2018	May 25, 2018
Expected volatility *(%)*	21	21	21
Expected maturity of the plan *(year)*	5	5	5
Risk free interest rate *(%)*	0.352	-0.196	-0.325
Expected dividend yield *(%)*	1.1	1.1	1.1
Fair value of the option granted *(€)*	**2.94**	**4.21**	**3.67**
EXPENSE RECOGNIZED IN 2017 *(IN € MILLION)*	**0.8**	**0.4**	**0.1**

The change in outstanding share options for Worldline SA during the period was the following:

	12 months ended December 31, 2017		12 months ended December 31, 2016	
	Number of shares	Weighted average strike price *(in €)*	Number of shares	Weighted average strike price *(in €)*
Outstanding at the beginning of the year	**2,851,641**	**20.9**	**2,997,420**	**20.1**
Granted during the year	-	-	241,000	27.1
Forfeited during the year	-29,500	22.9	-129,500	21.5
Exercised during the year	-551,967	19.7	-257,279	17.2
Outstanding at the end of the year	**2,270,174**	**21.2**	**2,851,641**	**20.9**
Exercisable at the end of the year, below year-end stock price	**2,270,174**	**21.2**	**2,851,641**	**20.9**

Note 6 Net financial result

Net financial expense amounted to € 62.0 million for the period (compared to € 55.2 million prior year) and was composed of a net cost of financial debt of € 23.6 million and non-operational financial costs of € 38.4 million.

Net cost of financial debt

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Net interest expenses	**-23.0**	**-19.3**
Interest on obligations under Finance leases	-1.1	-1.2
Gain/(loss) on disposal of cash equivalents	0.5	0.1
NET COST OF FINANCIAL DEBT	**-23.6**	**-20.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Net cost of financial debt was € 23.6 million (compared to € 20.3 million in 2016) and resulted from the following elements:

- the average gross borrowing of € 2,189.5 million compared to € 2,009.8 million in 2016 bearing an average expense rate of 1.49% compared to 1.61% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negociable European Commercial Papers (NEU CP) program started in June 2017 for an average of € 1,103.2 million (compared to an average of € 1,058.6 million in 2016) bearing an effective interest rate of 0.31%, benefiting from the attractive remuneration applied to the NEU CP;
  - a € 600.0 million bond issued in July 2015 bearing a coupon rate of 2.375%;
  - a € 300.0 million bond issued in October 2016 bearing a coupon rate of 1.444%;
  - other sources of financing, including securitization, for an average of € 191.2 million, bearing an effective interest rate of 4.75%;
- the average gross cash increased from € 1,302.1 million in 2016 to € 1,339.2 million in 2017 bearing an average income rate of 0.67% compared to 0.92% in 2016.

Other financial income and expenses

(In € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Foreign exchange income/(expenses)	1.1	12.7
Fair value gain/(loss) on forward exchange contracts held for trading	-4.1	-5.6
Other income/(expenses)	-35.4	-42.0
Other financial income and expenses	**-38.4**	**-34.9**
Of which:		
• other financial expenses	-72.2	-78.0
• other financial income	33.8	43.1

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Non-operational financial costs amounted to € 38.4 million compared to € 34.9 million in 2016 and were mainly composed of pension related interest (€ 30.0 million compared to € 33.5 million expense in 2016) and a net foreign exchange loss (including hedges) of € 3.0 million versus a net foreign exchange gain (including hedges) of € 7.1 million in 2016. 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, 2017	12 months ended December 31, 2016*
Current tax**	-154.8	-86.2
Deferred taxes**	5.8	-55.1
TOTAL	**-149.0**	**-141.3**

* December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"
** The impact of the US tax reform on the 2017 tax charge of the Group has been taken into account, and is not significant

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, 2017	12 months ended December 31, 2016*
Profit before tax	812.9	771.7
French standard tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	**-279.9**	**-265.7**
Impact of permanent differences	42.8	37.5
Differences in foreign tax rates	53.5	48.4
Movement on recognition of deferred tax assets	27.8	24.4
Equity-based compensation	-28.9	-18.1
Change in deferred tax rates	-4.9	-2.9
Taxes not based on taxable income (mainly CVAE, IRAP, US State income Tax)	12.0	8.0
Withholding taxes	-4.7	-5.9
French Tax credit	17.7	20.0
Other	15.6	13.0
Group tax expense	**-149.0**	**-141.3**
EFFECTIVE TAX RATE	**18.3%**	**18.3%**

* December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

The Group effective tax rate is 18.3% for 2017.

Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 1,230.1 million, restated tax charge of € 280.3 million and the restated effective tax rate was 22.8%.

(in € million)	12 months ended December 31, 2017	12 months ended December 31, 2016*
Profit before tax	**812.9**	**771.7**
Other operating income and expenses	-417.2	-295.1
Profit before tax excluding unusual items	**1,230.1**	**1,066.8**
Tax impact on unusual items	131.3	93.9
Group tax expense	-149.0	-141.3
Total of tax excluding unusual items	**-280.3**	**-235.2**
RESTATED EFFECTIVE TAX RATE	**22.8%**	**22.0%**

* December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"

Note 8 Deferred taxes

(In € million)	December 31, 2017	December 31, 2016*
Deferred tax assets	380.9	454.4
Deferred tax liabilities	119.0	135.5
NET DEFERRED TAX	**261.9**	**318.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

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
December 31, 2015	**235.9**	**-104.8**	**94.2**	**200.4**	**-53.2**	**372.5**
Charge to profit or loss for the year	43.1	23.1	1.7	-8.7	-114.3	-55.1
Change of scope	2.6	-68.3	-36.4	31.5	17.8	-52.8
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	-2.5	-21.1
December 31, 2016*	**287.8**	**-153.6**	**43.6**	**289.1**	**-148.0**	**318.9**
Charge to profit or loss for the year	5.3	23.5	-21.9	7.7	-8.8	5.8
Change of scope	5.3	-14.5	7.1	-	-7.6	-9.7
Charge to equity	-	-	0.8	-41.4	1.0	-39.6
Reclassification	-6.8	1.0	-38.4	-7.2	47.9	-3.5
Exchange differences	-5.0	4.3	-2.9	-2.8	-3.6	-10.0
DECEMBER 31, 2017	**286.6**	**-139.3**	**-11.7**	**245.4**	**-119.1**	**261.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Tax losses carry forward schedule (basis)

	December 31, 2017			December 31, 2016*		
(In € million)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2017	-	-	-	7.1	3.8	10.8
2018	0.6	11.0	11.6	1.9	4.4	6.2
2019	7.3	5.6	12.9	10.3	22.8	33.1
2020	0.6	27.1	27.7	-	30.8	30.8
2021	7.1	56.7	63.8	-	-	-
Tax losses available for carry forward for 5 years and more	115.0	78.2	193.2	201.2	235.7	437.0
Ordinary tax losses carry forward	**130.6**	**178.5**	**309.1**	**220.5**	**297.4**	**518.0**
Evergreen tax losses carry forward	**869.3**	**2,720.1**	**3,589.4**	**720.7**	**2,917.3**	**3,638.0**
TOTAL TAX LOSSES CARRY FORWARD	**999.9**	**2,898.6**	**3,898.5**	**941.2**	**3,214.7**	**4,156.1**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

The countries with the largest tax losses available for carry forward were France (€ 1,883.7 million), Germany (€ 1,037.6 million), The Netherlands (€ 244.5 million), the United Kingdom (€ 134.5 million), Brazil (€ 123.4 million), Austria (€ 87.7 million), Spain (€ 81.7 million), the United States (€ 55.1 million), and Italy (€ 35.8 million).

Deferred tax assets not recognized by the Group

(In € million)	December 31, 2017	December 31, 2016*
Tax losses carry forward	806.9	888.8
Temporary differences	184.5	135.4
TOTAL	**991.4**	**1,024.2**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

Note 9 Non-controlling Interests

(In € million)	December 31, 2016	2017 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 2017
Worldline	498.5	59.8	10.9	-	-15.2	0.5	554.5
MSL Technology S.L.	10.6	1.2	-	-	-11.8	-	-
Diamis	2.0	0.3	-	-	-2.3	-	-
Atos Pty Ltd	1.4	-0.3	-	-	-	-0.1	1.0
Other	6.9	3.4	-	-1.8	0.3	-0.2	8.6
TOTAL	**519.4**	**64.4**	**10.9**	**-1.8**	**-29.0**	**0.2**	**564.1**

(In € million)	December 31, 2015	2016 Income	Capital Increase	Dividends	Scope Changes	Others	December 31 2016
Worldline	235.8	49.3	7.5	-	221.5	-15.6	498.5
MSL Technology S.L.	10.5	0.5	-	-0.4	-	-	10.6
Diamis	1.7	0.4	-	-	-	-0.1	2.0
Atos Pty Ltd	0.7	-	0.8	-	-	-0.1	1.4
Other	5.7	2.8	0.2	-2.7	0.6	0.3	6.9
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).

Note 10 Earnings per share

Dilutive instruments comprised stock options (376,158 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, 2017	12 months ended December 31, 2016
Net income – Attributable to owners of the parent [a]	**600.7**	**578.8**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**600.7**	**578.8**
Average number of shares outstanding [c]	105,081,802	103,766,609
Impact of dilutive instruments [d]	376,158	506,003
Diluted average number of shares [e]=[c]+[d]	105,457,960	104,272,612
(In €)		
BASIC EPS [A] / [C]	**5.72**	**5.58**
DILUTED EPS [B] / [E]	**5.70**	**5.55**

No significant share transactions occurred subsequently to the 2017 closing that could have a dilutive impact on earnings per share calculation.

Note 11 Goodwill

(In € million)	December 31, 2016*	Disposals Deprecia-tion	Impact of business combi-nation	Exchange differences and other	December 31, 2017
Gross value	4,751.9	-	271.5	-67.0	4,956.4
Impairment loss	-567.0	-	-	-5.0	-572.0
CARRYING AMOUNT	**4,184.9**	**-**	**271.5**	**-72.0**	**4,384.4**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

(In € million)	December 31, 2015	Disposals Deprecia-tion	Impact of business combi-nation	Exchange differences and other	December 31, 2016*
Gross value	3,721.3	-	1,089.2	-58.6	4,751.9
Impairment loss	-603.2	-	-	36.2	-567.0
CARRYING AMOUNT	**3,118.1**	**-**	**1,089.2**	**-22.4**	**4,184.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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 € 4,184.9 million to € 4,384.4 million mainly due to the acquisitions of the year as detailed in Note 1 Changes in the scope of consolidation.

(In € million)	December 31, 2017	December 31, 2016*
United Kingdom and Ireland	515.1	502.5
France	514.4	498.4
Germany	784.5	819.2
North America	607.5	546.8
Benelux & The Nordics	439.1	439.1
Other countries	553.6	575.1
Worldline	970.1	803.8
TOTAL	**4,384.4**	**4,184.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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 2016). This rate reflects a reasonable long term average growth rate of the IT sector; and
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area. The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 6.5% (compared to 5.9% in 2016), in order to reflect the long-term assumptions factored in the impairment tests.

The discount rates used by CGU are presented below:

	2017 Discount rate	2016 Discount rate
United Kingdom and Ireland	8.7%	9.0%
France	8.6%	8.9%
Germany	8.6%	8.9%
North America	8.6%	8.9%
Benelux & The Nordics	8.6%	8.9%
Other countries	between 8.6% and 10.7%	between 8.9% and 11.1%
Worldline	7.8%	8.1%

Based on the 2017 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized as at December 31, 2017.

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				
December 31, 2016*	**819.0**	**732.9**	**598.6**	**2,150.4**
Additions	-	34.8	10.0	44.8
Impact of business combinations	-	-1.0	-20.8	-21.8
Intangible assets recognized as part of a Purchase Price Allocation	74.4	15.1	-	89.5
Capitalized costs	-	-	120.9	120.9
Disposals	-	-14.7	-14.2	-28.9
Exchange differences and others	-0.4	-8.2	-46.1	-54.7
DECEMBER 31, 2017	**893.0**	**758.9**	**648.4**	**2,300.2**
Accumulated depreciation				
December 31, 2016*	**-293.3**	**-317.7**	**-177.0**	**-788.1**
Amortization charge for the year	-	-41.8	-25.0	-66.8
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-86.3	-22.7	-	-109.0
Amortization of capitalized costs	-	-	-82.9	-82.9
Disposals	-	13.1	12.0	25.1
Exchange differences and others	25.5	21.9	-16.5	30.9
DECEMBER 31, 2017	**-354.1**	**-347.2**	**-289.4**	**-990.8**
Net value				
December 31, 2016 (*)	**525.7**	**415.1**	**421.5**	**1,362.4**
DECEMBER 31, 2017	**538.9**	**411.6**	**358.9**	**1,309.5**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

(In € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2015	**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	294.6	89.9	-	384.5
Capitalized costs	-	8.2	101.5	109.7
Disposals	-	-102.6	-31.7	-134.3
Exchange differences and others	12.2	35.2	-29.7	17.7
DECEMBER 31, 2016*	**819.0**	**732.9**	**598.6**	**2,150.4**
Accumulated depreciation				
December 31, 2015	**-209.5**	**-319.6**	**-165.0**	**-694.1**
Amortization charge for the year	-	-47.7	-18.3	-66.0
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-81.5	-24.7	-	-106.2
Amortization of capitalized costs	-	-1.2	-53.7	-54.9
Disposals	-	100.8	31.1	131.9
Exchange differences and others	-2.3	-25.3	28.9	1.3
DECEMBER 31, 2016*	**-293.3**	**-317.7**	**-177.0**	**-788.1**
Net value				
December 31, 2015	**302.7**	**306.2**	**311.3**	**920.3**
DECEMBER 31, 2016*	**525.7**	**415.1**	**421.5**	**1,362.4**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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 intangible assets recognized in 2017 as part of a purchase price allocation of € 89.5 million are mainly composed of:

- First Data Baltics, Digital River World Payments and MRL Posnet for € 59.5 million amortized over between 14 and 16 years; and
- Healthcare companies acquired in the US for € 12.0 million.

The gross book value of customer relationships for € 893.0 million as at December 31, 2017 presented above, includes:

- € 90.4 million relative to the Equens / Paysquare acquisition in 2016;
- € 83.6 million relative to the Anthelio acquisition in 2016;
- € 104.3 million relative to the Unify acquisition in 2016;
- € 145.7 million relative to the Xerox ITO acquisition in 2015;
- € 16.5 million relative to the Bull acquisition in 2014;
- € 356.4 million relative to the Siemens IT Solutions and Services acquisition in 2011.

Note 13 Tangible assets

(In € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2016*	**455.3**	**1,103.3**	**158.3**	**1,716.9**
Additions	18.9	235.7	81.5	336.1
Impact of business combination	-0.7	13.8	1.7	14.8
Disposals	-32.5	-213.1	-20.6	-266.2
Exchange differences and others	-3.3	-98.9	-49.5	-151.7
DECEMBER 31, 2017	**437.7**	**1,040.8**	**171.4**	**1,649.9**
Accumulated depreciation				
December 31, 2016*	**-261.4**	**-605.1**	**-90.8**	**-957.3**
Depreciation charge for the year	-43.3	-223.7	-14.4	-281.4
Eliminated on disposal	16.2	172.4	19.0	207.6
Exchange differences and others	11.6	64.6	-2.2	74.0
DECEMBER 31, 2017	**-276.9**	**-591.8**	**-88.4**	**-957.1**
Net value				
December 31, 2016*	**193.9**	**498.2**	**67.5**	**759.6**
DECEMBER 31, 2017	**160.8**	**449.0**	**83.0**	**692.8**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

(In € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2015	**540.9**	**1,205.6**	**189.8**	**1,936.3**
Additions	30.9	212.9	49.2	293.0
Impact of business combination	4.8	52.2	3.1	60.1
Disposals	-73.0	-360.8	-24.0	-457.8
Exchange differences and others	-48.3	-6.5	-59.8	-114.6
DECEMBER 31, 2016*	**455.3**	**1,103.3**	**158.3**	**1,716.9**
Accumulated depreciation				
December 31, 2015	**-302.1**	**-713.8**	**-101.6**	**-1,117.5**
Depreciation charge for the year	-48.5	-226.7	-14.1	-289.3
Eliminated on disposal	51.7	329.3	21.8	402.8
Exchange differences and others	37.5	6.2	3.1	46.8
DECEMBER 31, 2016*	**-261.4**	**-605.1**	**-90.8**	**-957.3**
Net value				
December 31, 2015	**238.8**	**491.8**	**88.2**	**818.8**
DECEMBER 31, 2016*	**193.9**	**498.2**	**67.5**	**759.6**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The tangible assets of the Group include mainly IT equipments 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 € 23.4 million. Future minimum lease payments under non-cancellable leases amounted to € 24.5 million at year-end.

	December 31, 2017			December 31, 2016 *		
(In € million)	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	16.4	-0.7	15.6	23.2	-0.6	22.6
Between one and five years	8.2	-0.4	7.8	21.3	-0.6	20.7
TOTAL	**24.5**	**-1.1**	**23.4**	**44.5**	**-1.2**	**43.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 14 Non-current financial assets

(In € million)	Notes	December 31, 2017	December 31, 2016*
Pension prepayments	Note 20	114.2	107.5
Fair value of non-consolidated investments net of impairment		73.1	54.9
Other**		93.6	102.2
TOTAL		**280.9**	**264.6**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*
** *"Other" includes loans, deposits, guarantees and investments in associates accounted for under the equity method.*

In December 2017, Atos acquired Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider. This entity will be fully consolidated from January 1, 2018.

On December 30, 2016, Atos acquired Engage ESM in the United Kingdom. This entity is fully consolidated since January 1, 2017.

Note 15 Trade accounts and notes receivable

(In € million)	December 31, 2017	December 31, 2016*
Gross value	2,769.8	2,858.1
Transition costs	12.5	32.5
Provision for doubtful debt	-122.0	-147.1
Net asset value	**2,660.3**	**2,743.5**
Prepayments	-117.2	-87.7
Deferred income and upfront payments received	-571.7	-792.7
Net accounts receivable	**1,971.4**	**1,863.1**
Number of days' sales outstanding (DSO)	**35**	**33**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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, 2017, the Group has sold:

- in the compartment "ON" € 277.0 million receivables for which € 10.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 39.7 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The DSO ratio reached 35 days compared to 33 days at the end of December 2016. DSO has been positively impacted by the implementation of financial arrangements on large customer contracts by 21 days compared to 15 days in December 2016.

Ageing of net receivables past due

(In € million)	December 31, 2017	December 31, 2016*
1-30 days overdue	126.4	90.4
31-60 days overdue	24.1	27.5
Beyond 60 days overdue	82.4	70.9
TOTAL	**232.9**	**188.8**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Movement in provision for doubtful debts

(In € million)	December 31, 2017	December 31, 2016*
Balance at beginning of the year	**-147.1**	**-109.5**
Impairment losses recognized	-25.6	-20.1
Amounts written off as uncollectible	30.1	15.7
Impairment losses reversed	0.5	6.0
Impact of business combination	-0.5	-44.3
Reclassification and exchange differences	20.6	5.1
Balance at end of the year	**-122.0**	**-147.1**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 16 Other current assets

(In € million)	December 31, 2017	December 31, 2016*
Inventories	95.2	84.4
State - VAT receivables	195.4	180.5
Prepaid expenses	365.8	435.6
Other receivables & current assets	467.1	581.6
Advance payment	34.8	36.6
Assets linked to intermediation activities	316.6	249.6
TOTAL	**1,474.9**	**1,568.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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, 2017 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	-	-	-	-
Trade accounts and notes receivables	2,660.3	-	-	-
Other current assets	1,474.9	-	-	-
Current financial instruments	-		1.2	6.4
Cash and cash equivalents	2,252.1	-	8.0	-
TOTAL	**6,387.3**	**-**	**9.2**	**6.4**

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	2,743.5	-	-	-
Other current assets	1,568.3	-	-	-
Current financial instruments	-		3.8	6.3
Cash and cash equivalents	1,634.3	-	382.2	-
TOTAL*	**5,946.1**	**-**	**386.0**	**6.4**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

As at December 31, 2017 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	-	1,241.3	-
Non-current financial instruments	-	-	-
Trade accounts and notes payables	2,060.0	-	-
Current portion of borrowings	-	711.8	-
Current financial instruments	3.4	-	3.9
TOTAL	**2,063.4**	**1,953.0**	**3.9**

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	-	1,509.5	-
Non-current financial instruments	-	-	1.4
Trade accounts and notes payables	2,064.2	-	-
Current portion of borrowings	-	178.8	-
Current financial instruments	0.7	-	6.9
TOTAL *	**2,064.9**	**1,688.4**	**8.3**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 18 Cash and cash equivalents

(In € million)	December 31, 2017	December 31, 2016*
Cash in hand and short-term bank deposit	2,252.1	1,634.3
Money market funds	8.0	382.2
TOTAL	**2,260.1**	**2,016.5**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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 2017, Atos SE increased its share capital by incorporating additional paid-in-capital and common stock for € 27.7 million related to the issuance of 536,670 new common stocks as part of the exercise of stock options and employee share option plan.

As at December 31, 2017, Atos SE issued share capital amounted to € 105.4 million, divided into 105,445,349 fully paid-up common stock of € 1.00 par value each.

Note 20 Pension plans and other long term benefits [GRI 101-3]

The total amount recognized in the Group balance sheet in respect of pension plans was € 1,179.1 million at December 31, 2017 compared to € 1,387.9 million at December 31, 2016. The total amount recognized for other long-term employee benefits was € 56.3 million compared to € 54.1 million at December 31, 2016.

(In € million)	December 31, 2017	December 31, 2016*
Amounts recognized in financial statements consist of :		
Prepaid pension asset	114.2	107.5
Accrued liability – pension plans [a]	-1,293.3	-1,495.4
Total Pension plan	**-1,179.1**	**-1,387.9**
Accrued liability – other long-term employee benefits [b]	-56.3	-54.1
Total accrued liability [a] + [b]	**-1,349.6**	**-1,549.5**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Pension plans

The Group's pension obligations are located predominantly in the United Kingdom (50% of Group total obligations), Germany (30%), USA (6%) and France (6%).

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 71% fixed income, 29% 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 and Unify in 2016. 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 57% fixed income, 39% return seeking assets and other assets and 4% property. 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 and asset ceiling effects generated in the period in "Other comprehensive income".

Events in 2017

The UK company and trustees of the Atos (CS) 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 100 million and a one off discretionary benefit enhancement for affected beneficiaries. This led to an overall reduction in liabilities and operating expenses of GBP 18.8 million including actuarial, legal and other project costs.

In the UK, a further change in the plan rules was introduced over the first semester for the Worldline section of the Railways Pension Scheme to freeze the pensionable pay on an ongoing basis. As a result, pensionable benefits will no longer increase with salary evolutions. The corresponding reduction in the obligation was recorded in Profit and Loss.

Amounts recognized in the financial statements related to pension plans

The amounts recognized in the balance sheet as at December 31, 2017 rely on the following components, determined at each benefit plan's level:

(In € million)	December 31, 2017	December 31, 2016*
Amounts recognized in financial statements consist of :		
Prepaid pension asset	114.2	107.5
Accrued liability – pension plans	-1,293.3	-1,495.4
Net amounts recognized – Total	**-1,179.1**	**-1,387.9**
Components of net periodic cost		
Service cost (net of employees contributions)	65.9	62.3
Past service cost, Settlements	-64.1	-92.1
Administration costs	3.7	0.7
Operating expense	**5.5**	**-29.1**
Interest cost	114.4	136.7
Interest income	-85.5	-104.4
Financial expense	**28.9**	**32.3**
Net periodic pension cost – Total expense/(profit)	**34.4**	**3.2**
Change in defined benefit obligation		
Total Defined Benefit Obligation at January 1st	**4,999.5**	**3,822.8**
Exchange rate impact	-160.7	-341.6
Service cost (net of employees contributions)	65.9	62.3
Interest cost	114.4	136.7
Past service cost, Settlements	-109.3	-89.8
Business combinations/(disposals)	-0.1	848.9
Employees contributions	9.1	11.6
Benefits paid	-162.6	-140.1
Actuarial (gain)/loss - change in financial assumptions	29.9	666.1
Actuarial (gain)/loss - change in demographic assumptions	-34.3	2.7
Actuarial (gain)/loss - experience results	-25.3	14.1
Reclassification	8.6	5.8
Defined benefit obligation at December 31st	**4,735.1**	**4,999.5**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies"*

The weighted average duration of the liability is 17.5 years.

(In € million)	December 31, 2017	December 31, 2016*
Change in plan assets		
Fair value of plan assets at January 1st	**3,614.6**	**2,871.7**
Exchange rate impact	-146.2	-293.2
Actual return on plan assets	212.7	487.0
Employer contributions	27.0	45.7
Benefits paid by the funds	-108.0	-104.9
Settlements	-48.0	-5.1
Business combinations/(disposals)	-0.1	602.5
Employees contributions	9.1	11.6
Administration costs	-4.0	-0.7
Fair value of plan assets at December 31st	**3,557.1**	**3,614.6**
Reconciliation of prepaid/(accrued) Benefit cost		
Funded status	-1,178.0	-1,384.9
Any other amount not recognized (asset ceiling limitation)	-1.1	-3.0
Prepaid/(accrued) pension cost	**-1,179.1**	**-1,387.9**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-1,387.9**	**-955.1**
Net periodic pension cost	-34.4	-3.2
Benefits paid by employer	54.6	35.2
Employer contributions	27.0	45.7
Business combinations/(disposals)	-	-253.8
Amounts recognized in Other Comprehensive Income	156.9	-300.4
Other (exchange rate)	14.5	49.5
Reclassification	-9.8	-5.8
Net amount recognized at end of year	**-1,179.1**	**-1,387.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The development in the main countries was as follows:

(In € million)	UK schemes	German schemes	USA schemes	French schemes	Other schemes
Reconciliation of net amount recognized in main plans:					
Net amount recognized at beginning of year	**-267.9**	**-692.2**	**-17.6**	**-268.2**	**-142.0**
Net periodic pension cost	14.9	-23.4	0.0	-17.4	-8.5
Benefits paid by employer & employer contributions	42.5	12.6	1.1	13.3	12.1
Amounts recognized in Other Comprehensive Income	114.7	28.1	-3.3	4.9	12.5
Other (exchange rate and reclassification)	8.4	-5.8	1.3	-0.1	0.9
Net amount recognized at end of year	**-87.4**	**-680.7**	**-18.4**	**-267.5**	**-125.1**
Defined benefit obligation at December 31st	-2,352.5	-1,401.2	-271.5	-268.0	-441.9
Fair value of plan assets at December 31st	**2,265.1**	**720.5**	**253.1**	**0.5**	**317.9**
Asset ceiling limitation at December 31st	-	-	-	-	-1.1
Net amount recognized at end of year	**-87.4**	**-680.7**	**-18.4**	**-267.5**	**-125.1**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were € 4,394.3 million at December 31, 2017 and € 4,628.0 million at December 31, 2016 representing more than 93% 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		USA	
	2017	2016	2017	2016	2017	2016
Discount rate as at December 31	2.70%	2.80%	1.50% ~ 1.95%	1.40% ~ 1.95%	3.50%	3.90%
Inflation assumption as at December 31	RPI: 3.20% CPI: 2.20%	RPI: 3.25% CPI: 2.25%	1.45%	1.45%	na	na

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 +25 bp	Inflation rate +25 bp
United Kingdom main pension plans	-4,5%	+4,2%
German main pension plans	-4.2%	+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, 2017	December 31, 2016*
Equity	19%	16%
Bonds/Interest Rate Swaps	66%	63%
Real Estate	6%	4%
Cash and Cash equivalent	2%	3%
Other	7%	13%

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Of these assets, 88% is valued on market value, 8% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 4% 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 2018

The Group expects to contribute € 45.8 million to its United Kingdom schemes next year versus € 43.4 million in 2017.

Prepaid pension situations on balance sheet

The net asset of € 114.2 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, 2017	December 31, 2016*
Operating margin	-9.8	18.8
Other operating income and expenses	4.3	10.3
Financial result	-28.9	-32.3
TOTAL (EXPENSE)/PROFIT	**-34.4**	**-3.2**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Other long-term employee benefits

The net liabilities related to other long-term employee benefits were € 54.1 million per December 31, 2016. They increased to € 56.3 million per December 31, 2017 via expenses recorded in P&L (€ 24.0 million), benefit payments (€ 18.6 million) net of other impacts (€ 3.2 million) including employer contributions and exchange rate impact.

Note 21 Provisions

(In € million)	December 31, 2016[1]	Charge	Release used	Release unused	Business Combination	Other[2]	December 31, 2017	Current	Non-current
Reorganization	111.1	47.6	-77.7	-4.2	-	-0.3	76.5	70.3	6.2
Rationalization	33.3	9.0	-12.1	-8.2	-	2.9	24.9	8.7	16.2
Project commitments	79.4	20.2	-25.3	-28.0	0.5	-0.6	46.2	32.9	13.3
Litigations and contingencies	167.7	26.0	-22.2	-34.2	13.9	-12.8	138.4	61.1	77.3
TOTAL PROVISIONS	**391.5**	**102.8**	**-137.3**	**-74.6**	**14.4**	**-10.8**	**286.0**	**173.0**	**113.0**

1 *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*
2 *Other movements mainly consist of the currency translation adjustments.*

(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	15.5	111.1	75.5	35.6
Rationalization	23.7	4.4	-5.2	-6.7	16.9	0.2	33.3	11.3	22.0
Project commitments	109.2	19.3	-48.9	-36.4	35.8	0.4	79.4	59.2	20.2
Litigations and contingencies	111.8	41.6	-30.5	-36.1	74.4	6.4	167.7	77.7	90.0
TOTAL PROVISIONS	**286.6**	**107.7**	**-145.1**	**-82.2**	**202.0**	**22.6**	**391.5**	**223.7**	**167.8**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Reorganization

New reorganization provisions were posted for € 47.6 million over the year mainly in Germany (€ 14.6 million) and in the United Kingdom (€ 11.2 million) driven by new plans aimed at improving Group efficiency and productivity.

The € 77.7 million consumptions corresponded to workforce optimization primarily in Germany.

Rationalization

The new provisions of € 9.0 million mainly relate to office premises rationalization in Benelux (€ 2.7 million), the United States of America (€ 2.6 million) and the Central & Eastern Europe (€ 2.0 million).

The € 12.1 million rationalization provisions were used against offices onerous leases and dilapidation costs in the United States (€ 5.4 million) and in Germany (€ 3.5 million).

Project commitments

The € 20.2 million charge was mainly incurred in Germany (€ 4.6 million) and Central & Eastern Europe (€ 4.1 million).

Project commitments provisions released for € 25.3 million primarily related to losses incurred in France (€ 6.0 million), Germany (€ 3.9 million) and Central & Eastern Europe (€ 3.8 million).

The € 28.0 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 € 138.4 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, 2017			December 31, 2016*		
(In € million)	Current	Non-current	Total	Current	Non-current	Total
Bonds	-	900.0	900.0	-	900.0	900.0
Bank loans & NEU CP	550.0	330.0	880.0	-	580.0	580.0
Securitization	10.0	-	10.0	9.8	-	9.8
Finance leases	15.6	7.8	23.4	22.6	20.8	43.3
Other borrowings	136.2	3.5	139.7	146.5	8.8	155.2
TOTAL BORROWINGS	**711.8**	**1,241.3**	**1,953.0**	**178.8**	**1,509.5**	**1,688.4**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Borrowings in currencies

The carrying amounts of the Group borrowings were denominated in the following currencies:

(In € million)	EUR	Other currencies	Total
DECEMBER 31, 2017	**1,737.1**	**216.0**	**1,953.0**
December 31, 2016*	1,548.9	139.5	1,688.4

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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)	2019	2020	2021	2022	>2022	Total
Bonds	-	600.0	-	-	300.0	900.0
Bank loans	-	-	330.0	-	-	330.0
Finance leases	3.7	1.9	1.4	0.2	0.7	7.8
Other borrowings	1.1	0.4	0.4	1.2	0.4	3.5
DECEMBER 31, 2017	**4.7**	**602.4**	**331.8**	**1.4**	**301.1**	**1,241.3**

(In € million)	2018	2019	2020	2021	>2021	Total
Bonds	-	-	600.0	-	300.0	900.0
Bank loans	-	-	-	580.0	-	580.0
Finance leases	16.1	2.9	0.6	0.1	0.9	20.8
Other borrowings	8.8	-	-	-	-	8.8
DECEMBER 31, 2016*	**24.9**	**2.9**	**600.6**	**580.1**	**300.9**	**1,509.5**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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, 2017; and
- interest rates presented hereafter.

The effective interest rates in 2017 were as follows:

(In € million)	Carrying value	Fair value	Effective interest rate
Bonds	900.0	900.0	2.24%
Bank loans & NEU CP	880.0	880.0	0.31%
Finance leases	23.4	23.4	3.93%
Securitization and Other borrowings	149.6	149.6	-
TOTAL BORROWINGS	**1,953.0**	**1,953.0**	

Change in net debt over the period

(In € million)	December 31, 2017	December 31, 2016*
Opening net cash/(debt)	**328.7**	**545.8**
New borrowings	-588.7	-14.3
Bonds	-	-300.0
Repayment of long and medium-term borrowings	293.0	53.2
Variance in net cash and cash equivalents	433.4	87.1
New Finance leases	-5.7	-8.6
Long and medium-term debt of companies sold during the period	-	-
Long and medium-term debt of companies acquired during the period	-5.1	-19.1
Impact of exchange rate fluctuations on net long and medium-term debt	-143.9	6.1
Profit-sharing amounts payable to French employees transferred to debt	-1.5	-0.8
Other flows related to financing activities	-2.8	-20.7
Closing net cash/(debt)	**307.4**	**328.7**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 23 Fair value and characteristics of financial instruments

	December 31, 2017		December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	7.6	-7.3	10.1	-8.9
Forward interest rate contracts	-	-	-	-
Analysed as :				
Non-current	-	-	0.1	-1.4
Current	7.6	-7.3	10.0	-7.5

The fair value of financial instruments is provided by an independant expert.

Interest rate risk

In 2017, bank loans of € 330.0 million as well as the Negotiable European Commercial Paper (NEU CP) program of € 550.0 million, and in 2016 bank, loans of € 580.0 million 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 € 1,230.8 million as at December 31, 2017. A 1.0% rise in 1-month Euribor would impact positively the financial expense by € 12.3 million for one year 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 & NEU CP	Note 22	-550.0	-330.0	-880.0
Securitization	Note 22	-10.0	-	-10.0
Other		-57.8	-3.5	-61.3
Total liabilities		**-617.8**	**-333.4**	**-951.2**
Cash and cash equivalents	Note 18	2,260.1	-	2,260.1
Overdrafts		-78.1	-	-78.1
Total net cash and cash equivalents*		**2,182.1**	**-**	**2,182.1**
Net position before risk management		1,564.3	-333.4	1,230.8
Hedging instruments		-	-	-
Net position after risk management		**1,564.3**	**-333.4**	**1,230.8**
Bonds	Note 22	-	-900.0	-900.0
Finance Leases	Note 22	-15.6	-7.8	-23.4
Total net debt/cash after risk management				**307.4**

* *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 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 five-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 times.

In order to optimize financial expenses and improve Group liquidity management, a Negotiable European Commercial Paper (NEU CP) program has been implemented on June 2, 2017 for an initial maximum amount of € 900.0 million. This amount has been increased to € 1.2 billion in October 2017. The issuance of the Neu CP has been used essentially to reduce the utilization of the € 1.8 billion Revolving Facility. The outstanding amount of Neu CP was € 550.0 million as of December 31, 2017 in addition to the Revolving Facility utilization of € 330.0 million

Atos securitization program of trade receivables has been renewed for five 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.

The calculation of the above-mentioned ratios as of December 31, 2017 is provided below:

Nature of ratios subject to covenants	Covenants	12 months ended 31 December 2017	12 months ended 31 December 2016[1]
Leverage ratio (net debt/OMDA[2])	not greater than 2.5	-0.19	-0.24
Interest cover ratio[3](operating margin/net cost of financial debt)	not lower than 4.0	54.75	55.31

1 December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".
2 OMDA : Operating margin before non cash items.
3 applicable only to the Securitization program.

Currency exchange risk

Atos operates in 73 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:

	2017	2016	2017	2016	2017	2016
(In € million)	EUR		GBP		USD	
Assets	193.4	176.8	16.7	15.9	198.7	148.0
Liabilities	170.1	105.4	12.1	8.7	111.1	72.0
Foreign exchange exposure before hedging	23.3	71.4	4.6	7.2	87.7	76.0
Hedged amounts	-290.7	-208.1	-80.6	-62.4	-55.4	-45.9
Foreign exchange impact after hedging	**-267.4**	**-136.7**	**-76.1**	**-55.2**	**32.3**	**30.1**

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.

	2017	2016	2017	2016	2017	2016
(In € million)	EUR		GBP		USD	
Income Statement	-13.4	-6.8	-3.8	-2.8	1.6	1.5

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

As at December 2017, 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:

	December 31, 2017		December 31, 2016*	
(In € million) Instruments	Fair value	Notional	Fair value	Notional
Cash flow hedge				
Foreign exchange				
Forward contracts USD	-0.8	10.9	-4.4	45.1
Forward contracts GBP	-0.1	-5.4	-0.6	-11.3
Forward contracts INR	0.9	154.2	3.5	72.9
Forward contracts KRW	-	0.8	0.1	2.5
Forward contracts MXN	-0.4	8.1	0.6	20.4
Forward contracts MYR	-	-	-0.1	0.1
Forward contracts PLN	2.0	84.0	-1.3	52.3
Forward contracts PHP	-	9.1	0.1	2.5
Forward contracts RON	-0.4	34.8	-0.2	19.4
Forward contracts RUB	-0.2	8.4	0.4	2.5
Forward contracts MAD	0.7	27.3	0.8	25.1
Forward contracts CNY	-	2.4	0.0	2.6
Forward contracts DKK	-	0.8	0.1	2.9
Forward contracts CNH	-	-	-0.1	0.2
Forward contracts CHF	0.5	-9.6	-0.3	-13.3
Forward contracts TRY	-	-	-0.1	1.3
Forward contracts CZK	0.0	9.4	-	-
Forward contracts HUF	0.0	1.1	-	-
Option contracts JPY	-	-	0.0	0.3
Trading and fair value hedge				
Foreign exchange				
Forward contracts USD	-2.5	19.8	1.2	40.8
Forward contracts GBP	-	-3.8	-0.1	-2.5
Forward contracts INR	-0.1	9.3	1.6	13.4
Forward contracts MAD	-	1.5	0.0	2.2
Forward contracts CNY	-	1.0	-	0.4
Forward contracts DKK	0.1	1.0	0.0	0.4
Forward contracts CHF	-	-	0.0	-3.8
Forward contracts MYR	-	-	0.0	-0.7
Forward contracts BRL	-	-0.3	-	-
Forward contracts RON	-	5.4	0.0	1.0
Forward contracts PLN	0.4	16.3	-0.1	1.8
Forward contracts PHP	0.1	6.1	-	-
Forward contracts MXN	-0.3	5.5	0.1	2.5

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The net amount of cash flow hedge reserve at December 31, 2017 was €+2.2 million (net of tax), with a variation of €+0.7 million (net of tax) over the year.

Note 24 Trade accounts and notes payable

(In € million)	December 31, 2017	December 31, 2016*
Trade payables and notes payable	**2,060.0**	**2,064.2**
Net advance payments	-34.8	-36.6
Prepaid expenses	-365.8	-435.6
NET ACCOUNTS PAYABLE	**1,659.4**	**1,592.0**
Number of days' payable outstanding (DPO)	**81**	**80**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

Note 25 Other current liabilities

(In € million)	December 31, 2017	December 31, 2016*
Advances and down payments received on client orders	117.2	87.7
Employee-related liabilities	500.1	604.5
Social security and other employee welfare liabilities	213.7	224.5
VAT payable	411.0	391.0
Deferred income	527.5	735.5
Liabilities linked to intermediation activities	316.6	249.6
Other operating liabilities	292.3	346.6
TOTAL	**2,378.4**	**2,639.4**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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 31 December 2017	12 months ended 31 December 2016*
Amounts paid for acquisitions and long-term investments		
First Data Baltics, Digital River and MRL Posnet	-218.8	-
Pursuit Healthcare and Healthcare companies	-80.1	-
Imakumo	-15.8	-
Siemens Convergence Creators (CVC)	-45.0	-
Xerox ITO	-	46.7
Unify	-	-346.5
Anthelio	-	-267.1
Paysquare	-	-113.2
Cataps	-	-26.9
Engage ESM	-	-31.3
Deposit	-	-2.2
Other	-51.1	-41.4
Total amounts paid for acquisitions and long-term investments	**-410.8**	**-782.0**
Cash and cash equivalents of companies purchased during the period		
First Data Baltics, Digital River and MRL Posnet	13.5	-
Imakumo	0.8	-
Unify	-	-64.2
Anthelio	-	14.2
Paysquare	-	39.3
Cataps	-	1.1
Equens	-	-2.4
Other	-0.3	-1.2
Total cash and cash equivalents of companies purchased during the period	**14.0**	**-13.2**
Proceeds from disposals of financial investments		
Paysquare Belgium	1.6	-
Cheque Service	0.1	-
Visa Share	-	35.6
Numergy	-	1.5
Deposit	3.3	2.4
Other	-	-
Total proceeds from disposals of financial investments	**5.0**	**39.5**
Cash and cash equivalents of companies sold during the period		
Cheque Service	-2.5	-
Other	-0.4	-0.7
Total Cash and cash equivalents of companies sold during the period	**-2.9**	**-0.7**
Dividend received from entities consolidated by equity method	1.5	1.5
Total dividend received from entities consolidated by equity method	**1.5**	**1.5**
NET LONG-TERM INVESTMENTS	**-393.2**	**-754.9**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

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.

		Maturing			
(In € million)	December 31, 2017	Up to 1 year	1 to 5 years	Over 5 years	December 31, 2016*
Bonds	900.0	-	600.0	300.0	900.0
Bank loans & NEU CP	880.0	550.0	330.0	-	580.0
Finance leases	23.4	15.6	7.1	0.7	43.3
Recorded on the balance sheet	**1,803.4**	**565.6**	**937.1**	**300.7**	**1,523.3**
Operating leases: land, buildings, fittings	1,133.6	158.7	652.6	322.3	1,006.5
Operating leases: IT equipment	180.4	30.2	150.2	0.0	173.0
Operating leases: other fixed assets	73.0	24.1	48.8	0.1	70.3
Non-cancellable purchase obligations (> 5 years)	62.0	0.0	55.8	6.2	65.1
Commitments	**1,449.0**	**213.0**	**907.4**	**328.6**	**1,314.9**
TOTAL	**3,252.4**	**778.6**	**1,844.5**	**629.3**	**2,838.2**
Financial commitments received (Syndicated Loan)	**1,470.0**	**-**	**1,470.0**	**-**	**1,220.0**
TOTAL RECEIVED	**1,470.0**	**-**	**1,470.0**	**-**	**1,220.0**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

The received financial commitment refers exclusively to the non-utilized part of the € 1.8 billion revolving facility.

Commercial commitments

(In € million)	December 31, 2017	December 31, 2016*
Bank guarantees	**283.1**	**266.1**
• Operational - Performance	192.7	209.8
• Operational - Bid	11.1	9.7
• Operational - Advance Payment	41.3	26.3
• Financial or Other	38.0	20.3
Parental guarantees	**4,998.2**	**5,690.3**
• Operational - Performance	4,388.8	4,935.2
• Financial or Other	609.4	755.1
Pledges	**2.3**	**6.6**
TOTAL	**5,283.6**	**5,963.0**

* *December 31, 2016 adjusted to reflect change in presentation disclosed in "Basis of preparation and significant accounting policies".*

For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 4,388.8 million as of December 31, 2017, compared with € 4,935.2 million at the end of December 2016. This decrease of € 546.4 million compare to last year is mainly due to the reduction of the amount of guarantees provided to the benefit of the US customers.

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. have 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 (€ 225.3 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 150.0 million (€ 169.0 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 350.0 million (€ 394.3 million).

In addition, in the framework of the Atos CS pension Scheme indexation discussions in UK, the Board of Atos SE, during its December 18, 2017 meeting, agreed to provide a parental guarantee to the Atos CS Scheme Limited as trustee of the Atos CS Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos CS Pension Scheme to make certain payments. The maximum amount of the guarantee is GBP 100 million (€ 113 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 SE 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 2017.

Compensation of members of the Board of 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 31 December 2017	12 months ended 31 December 2016
Short-term benefits	7.2	7.3
Employer contributions & other taxes	1.4	1.8
Post-employment benefits	3.0	3.5
Equity-based compensation: stock options & free share plans	8.1	5.8
TOTAL	**19.7**	**18.4**

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.

The employer contribution related to performance shares granted is due and calculated at the vesting date in accordance with the provisions of the "Macron" law. Thus, no employer contribution in respect of the performance shares granted in 2017 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, 2017

	% 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	69.83	FC	100	80, quai Voltaire – 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire – 95870 Bezons
Diamis SA	100	FC	100	80, quai Voltaire – 95870 Bezons
Mantis SAS	63.60	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 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
Avantix SAS	100	FC	100	655, avenue Galilée – 13794 Aix en Provence
Evidian SA	100	FC	100	Rue Jean Jaurès – 78340 Les Clayes-sous-Bois
BlueKiwi Software SA	100	FC	100	80, quai Voltaire - 95870 Bezons
GERMANY				
Equens Worldline GmbH	44.41	FC	100	Hahnstraße 25 – 60528 Frankfurt – Germany
Atos Information Technology GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse 5 – 45883 Gelsenkirchen – 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 Holding GmbH	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Deutschland GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Software and Solutions GmbH & Co. KG[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
Unify Patente Holding GmbH & Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
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 Zwischenholding GmbH &Co. KG[2]	100	FC	100	Mies-van-der-Rohe-Straße, 6 – 80807 Munich – Germany
Unify Patente GmbH & Co. KGF	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	44.41	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.	69.83	FC	100	Wolweverstraat 18 – 2980 CD Ridderkerk – The Netherlands
Equens SE	44.41	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
Stichting Derdengelden InterEGI	44.41	FC	100	Eendrachtlaan 315 – 3526 LB Utrecht – The Netherlands
PaySquare SE NL	100	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
Worldline NV/SA	69.83	FC	100	Chaussée de Haecht 1442 – B-1130 Brussel – Belgium
Unify Communications N.V.	100	FC	100	Demeurslaan, 132 – 1654 Beersel – Belgium
Bielorussia				

	% of Interest	Consolidation method	% of Control	Address
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	Mladost – 1 Business Park Sofia Str, 4 – 1766 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
Latvia				
SIA Worldline Latvia (former First Data Latvia)	100	FC	100	Dzirnavu str. 37 – Rīga LV-1010 - Latvia
Lithuania				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street -01112 Vilnius - Lithuania
UAB Worldline Lietuva (former UAB First Data Lietuva)	100	FC	100	Ukmergės str. 220 – 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 Nearshore Park - 1100, Boulevard Al Quods Quartier Sidi Maarouf – Casablanca - Morocco
Bull Morocco	100	FC	100	Casablanca Nearshore Park - 1100, Boulevard Al Quods Quartier Sidi Maarouf – 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
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

	% of Interest	Consolidation method	% of Control	Address
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				
Worldline Iberia SA	69.83	FC	100	Calle Albasanz 16 - 28037 Madrid - Spain
Atos Consulting Canarias, SA	100	FC	100	Calle Subida al Mayorazgo 24b 38110 – Santa Cruz de Tenerife – 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
MSL Technology SL	100	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
Worldline Sweden AB (former Digital River World Payments AB)	100	FC	100	31 Textilgaten - 120 30 Stockholm - 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 Saudi 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
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 Scotlan	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

	% of Interest	Consolidation method	% of Control	Address
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	100	FC	100	Brickhill Street, Willen Lake, MK15 0DJ – United Kingdom
Engage ESM Holding Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – United Kingdom
Engage ESM Ltd	100	FC	100	4 Triton Square – Regent's Place – London, NW1 3HG – 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	69.83	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
MRL Posnet Private Limited	100	FC	100	Sunny Side Central Block - 8/17, Shafee Mohamed Road - B Block 1st Floor, Nungambakkam – Chennai 600034 Tamil Nadu - India
Indonesia				
PT Worldline International Indonesia	69.83	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				
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
Taiwan				
Atos (Taiwan) Ltd	100	FC	100	5F, No. 100, Sec. 3, Min Sheng E. Road – Taipei 105 – Taiwan – R.O.C.
Thailand				

	% of Interest	Consolidation method	% of Control	Address
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	69.83	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
Unify - Soluções em Tecnologia da Informação Ltda.	100	FC	100	Avenia Iguaçu, 2820 - Edifício Iguaçu 2820 - Escritório 41, Sala 01, Água Verde - Curitiba - 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	69.83	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	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
Atos Digital Health Solutions	100	FC	100	One Lincoln Centre, Suite 200 5400 LBJ Freeway 75204 Dallas – 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

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 2017 and 31 December 2017, 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 2017 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".*

Note 31 Auditors' fees

(In € thousand and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Other Deloitte members firms		Grant Thornton		Other Grant Thornton members firms	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,258.0	56%	-	-	1,005.0	58%	-	-
Subsidiaries	811.0	36%	3,478.0	84%	707.0	41%	2,828.0	99%
Sub-total Audit	**2,069.0**	**92%**	**3,478.0**	**84%**	**1,712.0**	**99%**	**2,828.0**	**99%**
Non audit services*								
Parent company	95.0	4%	239.0	6%	-	-	-	-
Subsidiaries	73.0	3%	439.0	11%	14.0	1%	38.0	1%
Sub-total Non Audit	**168.0**	**8%**	**678.0**	**16%**	**14.0**	**1%**	**38.0**	**1%**
TOTAL FEES 2017	**2,237.0**	**100%**	**4,156.0**	**100%**	**1,726.0**	**100%**	**2,866.0**	**100%**

* *In 2017, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries*

(In € thousand and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Other Deloitte members firms		Grant Thornton		Other Grant Thornton members firms	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,354.0	55%	-	-	934.0	56%	-	-
Subsidiaries	925.0	38%	3,639.0	53%	718.0	43%	2,889.0	99%
Sub-total Audit	**2,279.0**	**93%**	**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	81.0	3%	1,681.0	25%	13.0	1%	38.0	1%
Sub-total Non Audit	**176.0**	**7%**	**3,185.0**	**47%**	**13.0**	**1%**	**38.0**	**1%**
TOTAL FEES 2016	**2,455.0**	**100%**	**6,824.0**	**100%**	**1,665.0**	**100%**	**2,927.0**	**100%**

* *In 2016, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence and audit and/or agreed upon procedures reports issued for the purpose of the transaction with Equens, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries*

E.5 Parent company summary financial statements

E.5.1 Statutory auditors' report on the financial statements for the year ended December 31, 2017

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual General Meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying financial statements of Atos Company for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of participating interests

Note 'Accounting rules and policies – Financial assets' of consolidated financial statements and Note 3 "Financial assets"

Key Audit Matter	Our audit approach
As of December 31, 2017, Participating interests are recorded on the balance sheet at a net book value of € 6,281.7 million, or 75% of total assets. Participating interests are initially 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 their part of interest in shareholding equities for the holding subsidiaries. • on the basis of the enterprise value for the operational subsidiaries based on cash flow forecasts; We considered the valuation of participating interests as a key audit matter, given the weight of these assets in the balance sheet and the importance of management's judgments in the determination of cash flow assumptions.	Our assessment of the valuation of participating interests is based on the process implemented by the Company to determine their value-in-use. We performed the following procedures: • For valuation based on historical value, we verified the consistency of the part of interest in the investment's shareholder equity as calculated by the Company with the financial statements of the related entities. • For valuation based on forecasts: – obtain the cash flow forecasts of the entities concerned and reconcile them with the three year financial plan per Cash Generating Unit (CGU) used by Management as part of the Group's goodwill impairment tests; – analyze the consistency of the assumptions used with the performance history of the Group the CGUs and the entities, and confirm through interviews with Management and other procedures, future growth prospects.

Verification of the Management Report and of the Other Documents Provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de Commerce) 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 controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other 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.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We have been appointed as statutory auditors of the Company by your General Meetings of December 16, 1993 for Deloitte & Associés, and October 31, 1990 for Grant Thornton.

As at December 31, 2017, Deloitte & Associés was in its 24th year mandate, without any interruption, and for Grant Thornton in its 27th year mandate, without any interruption, and for both statutory auditors, on 22 years of exercise of mandate since the Company securities had been admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de Commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton
	French member of Grant Thornton International
Jean-Pierre Agazzi	Virginie Palethorpe

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, 2017

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 already approved by the Shareholders' Meeting

1. 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 same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2017, your Company considering that volumes recorded during fiscal year 2017 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 same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2017.

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, 2017.

2. Agreements and commitments approved during the year

We have also been informed of the execution, during the year, of the following agreement, already approved by the Shareholders' Meeting on May 24, 2017, based on the Statutory Auditors' special report of March 30, 2017.

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.

Given the state of completion of the works engaged by Ms. Aminata Diane, the Board of Directors decided at its meeting of February 21, 2017, to extend this mission entrusted to Ms. Aminata Diane for an additional 12-month period from March 1, 2017. This extension of the mission was approved by the Shareholders' Meeting on May 24, 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, 2017 amounts to € 58,333.

Neuilly-sur-Seine, February 21, 2018

The statutory auditors

French original signed by

Deloitte & Associés	Grant Thornton *French member of Grant Thornton International*
Jean-Pierre Agazzi	Virginie Palethorpe

E.5.3 Atos SE Financial statement

As of December 31, 2017, the Group issued common stock amounted to € 105.4 million comprising 105,445,349 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, 2017	December 31, 2016
ASSETS			
Intangible fixed assets	Note 1	0	0
Tangible fixed assets	Note 2	0	0
Participating interests	Note 3	6,281,660	5,342,013
Other financial investments	Note 3	584,136	577,766
Total fixed assets		**6,865,796**	**5,919,780**
Advances and down payments		307	307
Trade accounts and notes receivable	Note 4	35,791	59,908
Other receivables	Note 4	904,162	579,199
Cash and cash equivalent	Note 5	600,774	578,830
Total current assets		**1,541,035**	**1,218,244**
Prepayments, deferred expenses	Note 6	26,844	16,705
TOTAL ASSETS		**8,433,675**	**7,154,729**

(in € thousand)	Notes	December 31, 2017	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		105,445	104,909
Additional paid-in capital		2,871,855	2,844,736
Legal reserves		10,491	10,352
Other reserves and retained earnings		816,257	954,499
Net income for the period		166,990	29,462
Shareholders' equity	**Note 7**	**3,971,037**	**3,943,957**
Provisions for contingencies and losses	Note 8	37,290	29,751
Borrowings	Note 9	2,479,328	2,311,892
Trade accounts payable	Note 10	21,889	12,583
Other liabilities	Note 10	1,904,075	849,791
Total liabilities		**4,405,291**	**3,174,266**
Unrecognised exchange gains	Note 11	20,057	6,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,433,675**	**7,154,729**

E.5.3.2 Income statement

(in € thousand)	Notes	December 31, 2017	December 31, 2016
Revenue	**Note 12**	**144,418**	**169,631**
Other income		8	3
Total operating income		**144,426**	**169,634**
Cost of sales		-21,441	-19,296
Taxes		-2,171	-2,635
Remuneration and social charges		-4,153	-3,829
Depreciation amortisation and provisions		-28	-257
Other expenses	Note 13	-18,118	-17,392
Total operating expenses		**-45,910**	**-43,410**
Operating margin		**98,516**	**126,224**
Net financial result	Note 14	25,555	-132,778
Net income on ordinary activities		**124,071**	**-6,554**
Non-recurring items	Note 15	29,422	29,793
Employee profit sharing			
Corporate income tax	Note 16	13,498	6,223
NET INCOME FOR THE PERIOD		**166,990**	**29,462**

E.5.4 Notes to the Atos SE statutory financial statements

Atos SE Activity

Atos SE main activities are:

- the management of the Atos trademark;
- the management of Group participating interests;
- the management of Group financing activities.

Revenue included trademark fees received from Group subsidiaries.

The company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

Highlights

No particular highlight occurred in 2017.

Rules and accounting methods

The financial statements of Atos SE have been prepared in application with ANC 2014-03 and current regulations with generally accepted accounting principles in France.

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.

Those assets are fully depreciated at December 31, 2017.

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.

There are no more assets at December 31, 2017.

Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans, and deposits).

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, 2016	Acquisitions/charges	Disposals/reversals	December 31, 2017
Intangible assets	113,918	-	-	113,918
Amortisation	-9,960	-	-	-9,960
Depreciation	-103,958	-	-	-103,958
Total of amortisation & depreciation	-113,918	-	-	-113,918
Net value of intangible assets	**0**	**-**	**-**	**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 as follows:

- France: € 40.8 million;
- Spain: € 63.1 million.

As of December 2017, those merger deficit are fully depreciated.

The other merger deficit acquired before 2004 amounts to € 9.7 million in gross value, have been depreciated on a straight line basis.

Note 2 Tangible fixed assets

Net value of tangible fixed assets

(in € thousand)	December 31, 2016	Acquisitions/Charges	Disposals/Release	December 31, 2017
Tangible fixed assets	-	-	-	-
Depreciation of tangible fixed assets	-	-	-	-
Net value of tangible fixed assets	-	-	-	-

Note 3 Financial fixed assets

Change in financial fixed assets – Gross value

(in € thousand)	December 31, 2016	Acquisition	Decrease	December 31, 2017
Investments in consolidated companies	5,915,215	849,797	-67	6,764,945
Investments in non consolidated companies	124	-	-	124
Other investments	85	-	-	85
Total Investments	**5,915,424**	**849,797**	**-67**	**6,765,154**
Intercompany loans and accrued interests	330,234	-	-13,062	317,172
Others	247,532	19,433	-	266,965
Total Other financial assets	**577,766**	**19,433**	**-13,062**	**584,137**
TOTAL	**6,493,190**	**869,230**	**-13,129**	**7,349,291**

Acquisition of participating interest and other movements

Atos SE increased the capital of the following entities:

- Bull SA for € 703.2 million;
- Atos Infogerance for € 116.4 million;
- Atos management France for € 18.9 million;
- Atos Bilisim Turkey for € 11.3 million;

(in € thousand)	Gross amount December 31, 2017	Up to 1 year	1 to 5 years
Loans and accrued interests	317,172	3,413	313,759
Others	266,965	266,965	-
TOTAL	**584,137**	**270,378**	**313,759**

Other financial assets at closing date corresponded to deposit under securitization program for receivables for € 266.9 million and loans granted to Group entities.

Accrued interests amounted to € 3.4 million (2016: € 3.6 million).

Change in financial fixed assets – Impairment

(in € thousand)	December 31, 2016	Depreciation	Release	December 31, 2017
Investments in consolidated companies	-573,202	-29,101	119,018	-483,285
Investments in non consolidated companies	-124	-	-	-124
Other investments	-85	-	-	-85
TOTAL	**-573,411**	**-29,101**	**119,018**	**-483,494**
Of which financial				

The depreciation of the period corresponded mainly to the impairment of entities in France including the holdings for an amount of € 22.4 million, and an entity in Turkey for € 1.5 million.

The release of the period corresponded to French entities for € 119 million.

Net value of the financial fixed assets

(in € thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	6,764,945	-483,285	6,281,660
Investments in non consolidated companies	124	-124	-
Other investments	85	-85	-
Investments	**6,765,154**	**-483,494**	**6,281,660**
Loans and accrued interests	317,172	-	317,172
Others	266,965	-	266,965
Other financial assets	**584,137**	**-**	**584,137**
TOTAL	**7,349,291**	**-483,494**	**6,865,797**

Main subsidiaries and investments

(in € thousand)	Gross value at December 31, 2017	Net value at December 31, 2017	% interest	Net Income at December 31, 2017[1]	Shareholders' equity at December 31, 2017[1,2]
France					
Worldline SA	87,849	87,849	70%	-24,392	600,695
Bull SA	1,313,841	1,313,841	100%	22,483	1,219,619
Atos Infogérance	339,501	169,046	100%	-17,261	59,561
Atos Intégration	160,313	160,313	95%	7,625	-49,332
Atos Consulting	16,539	1,001	68%	-1,664	4,202
Atos Participation 2	30,616	16,043	100%	-4	16,047
Atos International	103,725	0	100%	-7,148	-868
Atos Investissement 10	46,140	0	100%	664	-22,934
Atos management France	44,820	12,019	100%	-4,927	7,311
Atos Investissement 12	62	32	100%	-3	35
Atos Meda	8,840	8,840	100%	1,840	-175
Atos Investissement 19	59	59	100%	-3	32
Atos Investissement 20	37	0	100%	-6	-4
Atos Investissement 21	37	4	100%	-3	7
Atos Worldgrid	32,328	32,328	100%	5,999	14,882
United Kingdom					
Canopy	30,245	312	11%		50
Italia					
Atos Origin Srl	57,183	173	100%		173
Benelux					
St Louis RE	2,174	2,174	100%	0	2,175
Spain					
Atos Spain SA	114,590	114,590	100%	25,897	80,621
GTI	751	409	33%	67	359
Germany					
Atos Information Technology GMBH	587,072	587,072	100%	-26,542	621,696
The Netherlands					
Atos International BV	3,765,747	3,765,747	100%	-1,696	3,598,186
Turkey					
Atos Bilisim	22,475	9,808	81%	4,079	11,272
TOTAL	**6,764,945**	**6,281,660**			

1 Statutory audit in progress not yet finalized.
2 Net equity excl 2017 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, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Trade accounts and notes receivable and doubtful debtors	35,108	-245	34,864	51,810
Invoices to be issued	928	-	928	8,098
Trade accounts and notes receivables	**36,036**	**-245**	**35,791**	**59,908**
State and income tax	65,329	-	65,329	38,077
VAT receivable	4,206	-	4,206	2,758
Intercompany current account	823,113	-	823,113	518,200
Other debtors	11,514	-	11,514	20,164
Other debtors	**904,162**		**904,162**	**579,199**
TOTAL	**940,198**	**-245**	**939,954**	**639,107**
of which operating		*-245*		

The trade accounts and doubtful debtors include intra-Group re-invoicing at the end of the year 2017.

Maturity of trade accounts receivable and other debtors

(in € thousand)	Gross amount at December 31, 2017	Up to 1 year	1 to 5 years
Trade accounts and notes receivable and doubtful debtors	35,108	34,819	289
Invoices to be issued	928	928	-
State and income tax	65,329	65,329	-
VAT receivable	4,206	4,206	-
Intercompany current account	823,113	823,113	-
Other debtors	11,514	11,514	-
TOTAL	**940,198**	**939,909**	**289**

Accrued income

(in € thousand)	December 31, 2017	December 31, 2016
Accrued income included in Receivable accounts		
Other debtors	953	15,692
TOTAL	**953**	**15,692**

Note 5 Cash and cash equivalents

Cash and cash equivalents and mutual funds

(in € thousand)	Gross amount at December 31, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Mutual funds	2	-	2	9,361
Treasury stocks - owned shares	42,870	-2,523	40,346	12,925
Short Term Bank deposits	1,244	-	1,244	115,628
Cash at bank	559,182	-	559,182	440,916
TOTAL	**603,298**	**-2,523**	**600,774**	**578,830**

Movement in Treasury stocks-owned shares

The Company proceeded to the following transfers of treasury shares in 2017:

- 7,357 shares to beneficiaries of LTI (Long Term Incentives) plans;
- 17,015 shares in connection with the vesting of performance shares pursuant to the Xerox ITO non qualified plan dated July 1, 2015;
- 295,465 shares in connection with the vesting of performance shares granted pursuant to the plan dated July 24, 2013.

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, 2017	December 31, 2016
Translation losses	19,561	6,638
Prepaid expenses	152	143
Deferred expenses	7,132	9,924
TOTAL	**26,844**	**16,705**

The deferred expenses are only related to expenses on borrowings.

Note 7 Shareholders' equity

Common stock

	December 31, 2017	December 31, 2016
Number of shares	105,445,349	104,908,679
Nominal value *(in €)*	1	1
Common stock *(in € thousand)*	105,445	104,909

Capital ownership structure over three years

	December 31, 2017		December 31, 2016		December 31, 2015	
	Shares	%	Shares	%	Shares	%
Siemens	12,483,153	11.8%	12,483,153	11.9%	12,483,153	12.1%
Blackrock Inc.[1]	5,339,057[3]	5.1%	-	0%	5,251,419	5.1%
Board of Directors	546,630	0.5%	668,316	0.6%	652,134	0.6%
Employees	1,182,158	1.1%	1,489,140	1.4%	2,257,667	2.2%
Treasury stock	332,478	0.3%	196,435[2]	0.2%	694,584	0.7%
Others	85,561,873	81.1%	90,071,635	85.9%	82,180,285	79.4%
TOTAL	**105,445,349**	**100.0%**	**104,908,679**	**100.0%**	**103,519,242**	**100.0%**

1 On the basis of the threshold crossing statement made on October 13, 2015.
2 Among which 12,120 shares in the process of delivery, to be effective on January 2nd.
3 On the basis of the threshold crossing statement made on December 15, 2017.

Siemens AG owns a 11.8% 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 2017, the Group was informed of the following threshold crossing:

- BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upward on December 14, 2017, following an acquisition of shares on the market and the increase in the number of shares held as collateral (5,339,057 Atos SE shares), the statutory thresholds of 5% of the share capital and voting rights. On December 14, 2017, BlackRock, Inc. declared holding 5.07% of the share capital and voting rights of the Company;
- The Company was not informed of any other statutory threshold crossing, in accordance with article L. 233-7 of the Commercial Code, in 2017.

The 11th resolution of the Annual General Meeting of May 24, 2017 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, 2017, the Company held 332,478 shares of treasury stocks.

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.

As at December 31, 2017	Shares	% of share capital	% of voting rights
Siemens	12,483,153	11.8%	11.9%
Board of Directors	546,630	0.5%	0.5%
Employees	1,182,158	1.1%	1.1%
Treasury stock	332,478	0.3%	-
Free float	90,900,930	86.2%	86.5%
TOTAL	**105,445,349**	**100.0%**	**100.0%**

Changes in shareholders' equity

(in € thousand)	December 31, 2016	Exercice of share options	Dividends	Appropriation of result	Capital increase	Net Income 2017	December 31, 2017
Common stock	104,909				537		105,446
Additional paid-in capital	2,844,736				27,119		2,871,855
Legal reserve	10,352			139			10,491
Other reserves	25,511						25,511
Retained earnings	928,987		-167,565	29,323			790,745
Net income for the period	29,462			-29,462		166,990	166,990
TOTAL OF THE SHAREHOLDERS' EQUITY	**3,943,957**		**-167,565**	**0**	**27,655**	**166,990**	**3,971,037**

As at December 31, 2017, the Company's issued common stock amounted to € 105.4 million, divided into 105,445,349 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2016, the share capital was increased by the issuance of 536,670 new shares, split as follows:

- 241,705 new shares resulting from the exercise of stock options;
- 294,965 new shares resulting from an increase in the share capital reserved to employees, under the 19th resolution of the Combined General Meeting of May 26, 2016.

Potential common stock

Based on 105,445,349 outstanding shares as of December 31, 2017, the common stock of the Group could be increased by 3,205,927 new shares, representing 3.04% of the common stock before dilution.

(in shares)	December 31, 2017	December 31, 2016	Change	% dilution
Number of shares outstanding	105,445,349	104,908,679	536,670	
From stock subscription options	406,707	648,629	-241,922	0.39%
From performance shares	2,799,220	2,479,645	319,575	2.65%
Potential dilution	**3,205,927**	**3,128,274**	**77,653**	**3.04%**
TOTAL POTENTIAL COMMON STOCK	**108,651,276**	**108,036,953**	**614,323**	

On the total of 406,707 of stock options, no option had a price of exercise higher than € 121.35 (year-end stock price as of December 31, 2017).

Note 8 Provisions

Provisions

(in € thousand)	December 31, 2016	Charges	Release used	Release unused	December 31, 2017
Subsidiary risk	19,824	17,155	-	-	36,979
Contingencies	9,927	29	-8,000	-1,645	311
Litigations	0	-	-	-	0
TOTAL	**29,751**	**17,184**	**-8,000**	**-1,645**	**37,290**
Of which					
• operating		28	-	-	28
• financial		17,156	-	-	-17,156
• exceptional			-8,000	-1,645	-9,645

The risk for a litigation further to a settlement that occurred in 2017 was fully released for € 9.6 million.

The evaluation of the participating interest let to a charge mainly for the following subsidiaries:

- Atos International for € 6.8 million;
- Atos Investissement 10 for € 10.3 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, 2017	Gross value December 31, 2016
Bank overdraft		415,456	-	-	415,456	561,057
Other borrowings		813,759	632,942	617,171	2,063,872	1,750,835
Borrowings		**1,229,215**	**632,942**	**617,171**	**2,479,328**	**2,311,892**
Cash at bank	Note 5	559,182		-	559,182	440,917
CLOSING NET DEBT		**670,033**	**632,942**	**617,171**	**1,920,146**	**1,870,975**

Financial borrowings included mainly:

- bond issued in 2015 for € 600 million and 2016 for € 300 million with accrual interest for a total of € 908.2 million;
- syndicated loan for € 250 million;
- NEU CP for € 550 million;
- Intercompany loans for € 348.6 million;
- profit-sharing for € 3.1 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 2020 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) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of December 31, 2017, Atos SE used € 250 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, 2017	Up to 1 year	1 to 5 years	Gross amount December 31, 2016
Trade accounts and notes payable	21,889	21,889	-	12,583
Trade accounts and notes payable	**21,889**	**21,889**	**-**	**12,583**
Social security and other employee welfare liabilities	2,358	2,358	-	2,267
VAT payable	598	598	-	1,493
Intercompany current account liabilities	1,892,891	1,892,891	-	831,266
Other liabilities	8,228	8,228	-	14,765
Other liabilities	**1,904,075**	**1,904,075**	**-**	**849,791**
TOTAL	**1,925,964**	**1,925,964**	**-**	**862,374**

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
2017						
Accounts payable and liabilities	**21,889**	**18,047**	**3,842**	**88**	**249**	**21,552**
	100,0%			0.4%	1.1%	98.5%
Accounts payable	**-2,634**	**-3,465**	**831**	**88**	**249**	**-2,971**
Invoices to be received	**24,523**	**21,512**	**3,011**	**-**	**-**	**24,523**
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

Deferred Expenses

(in € thousand)	December 31, 2017	December 31, 2016
Deferred Expenses included in the trade payable accounts		
Invoices to be received	24,523	15,293
Other liabilities	1,325	1,146
State and employee related liabilities	679	1,697
TOTAL	26,527	18,136

Note 11 Unrecognized exchange gains

It was related to unrecognized exchange gains for € 19.6 million and deffered revenue for € 0.5 million.

Note 12 Revenue

Revenue split

	December 31, 2017		December 31, 2016	
	(in € thousand)	(in %)	(in € thousand)	(in %)
Trademark fees	133,872	92.7%	159,350	93.9%
Re-invoicing	2,040	1.4%	2,846	1.7%
Parental guarantees	8,506	5.9%	7,435	4.4%
Total revenue by nature	**144,418**	**100.0%**	**169,631**	**100.0%**
France	19,271	13.3%	25,995	15.3%
Foreign countries	125,147	86.7%	143,636	84.7%
Total revenue by geographical area	**144,418**	**100.0%**	**169,631**	**100.0%**

Note 13 Other expenses

Expenses

(in € thousand)	December 31, 2017	December 31, 2016
Expenses of the functions' Group	-17,228	-16,349
Directors' fees	-500	-424
Other expenses	-390	-619
TOTAL	**-18,118**	**-17,392**

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, 2017	December 31, 2016
Dividends received	9,091	15,138
Intercompany current account interests	1,042	907
Other financial assets income	17,405	18,008
Investment banking revenues	77	2,265
Reversal of provisions on investments in consolidated companies	119,018	54,454
Reversal of provisions on treasury stock		
Reversal of other financial provisions	-	24,603
Disposal of short-term investment	340	392
Foreign exchange gains	223	877
Total of the financial incomes	**147,195**	**116,644**
Interests on borrowings	-20,590	-19,045
Securitisation interests	-1,323	-1,272
Intercompany loans interests	-17,405	-18,027
Intercompany current accounts interests	-32	-50
Provision for depreciation on investments in consolidated companies	-29,101	-167,081
Provision for deferred expenses	-3,092	-2,942
Other financial provisions	-19,680	-6,750
Short term borrowing interests	-458	-590
Foreign exchange losses	-220	-1,278
Other financial expenses	-29,738	-32,388
Total of the financial expenses	**-121,640**	**-249,422**
NET FINANCIAL RESULT	**25,555**	**-132,778**

Financial incomes

Atos SE received from its subsidiary, Atos Worldgrid, the amount of € 9 million of dividends in 2017.

The depreciation on investments has been disclosed in the Note 3 Financial Assets and Note 8 Provision.

Financial expenses

The other financial expenses are related to the loss incurred on the delivery of the 319,837 performance shares to the employees for an amount of € 29.7 million (€ 32.3 million in 2016).

The depreciation on investments has been disclosed in the Note 3 Financial Assets and Note 8 Provision.

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, 2017	December 31, 2016
Selling price from disposal of financial investments		
Other income	38,334	34,329
Total of non recurring income	**38,334**	**34,329**
Amortization of merger loss		
Net book value of financial investments sold	-68	
Net book value of fixed assets sold		
Provisions for liabilities and charges		
Other expenses	-8,845	-4,536
Total of non recurring expenses	**-8,912**	**-4,536**
NON RECURRING ITEMS	**29,422**	**29,793**

In 2017, the non-recurring incomes are mainly related to the re-invoicing to Group entities for the cost of the performance plan granted to employees and to the operations of merger and acquisitions.

The amount of € 8.0 million related to a litigation (see Note 8 Provisions) is included in "Other expenses". The € 9.6 million release of provision is included in "Other income".

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 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	782	28
TOTAL	**782**	**28**

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	124,071	-	124,071
Non recurring items and employee participation	29,422	-	29,422
Tax Charge	-	13,498	13,498
TOTAL	**153,492**	**13,498**	**166,990**

The result of the fiscal consolidation is a profit of € 113.6 million before use of losses carried forward. After use of the losses carried forward the taxable profit 2017 was an amount of € 28.3 million with a tax charge of € 12.6 million. The tax that would have been paid in the absence of French tax consolidation would have been an expense of € 10.7 million. The total amount of the losses carried forward was € 232.7 million as of 31 December 2017.

Note 17 Off-balance sheet commitments

Commitments given

(in € thousand)	December 31, 2017	December 31, 2016
Performance Parental Guarantees	4,225,171	4,589,165
Bank guarantees[1]	324	324
TOTAL	**4,225,895**	**4,589,489**

1 Borne by Atos SE.

Total parental guarantees amounted to € 4,225.9 million as of December 31, 2017 compared to € 4,589.5 million at the end of December 2016. This decrease of € 363.6 million compare to last year is mainly due to the reduction of the amount of guarantees provided to the benefit of the US customers.

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 has given guarantees of general financial support to various subsidiaries to comply with local regulations or for credit facility coverage opened at banks in France or abroad.

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 years guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million (€ 225.3 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 (€ 169.0 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 350 million (€ 394 million).

In addition, in the framework of the Atos CS pension Scheme indexation discussions in UK, the Board of Atos SE, during its December 18, 2017 meeting, agreed to provide a parental guarantee to the Atos CS Scheme Limited as trustee of the Atos CS Pension Scheme. Under the said guarantee, Atos SE will guarantee the obligations of the sponsoring employers of the Atos CS Pension Scheme to make certain payments. The maximum amount of the guarantee is GBP 100 million (€ 113 million).

Commitments received

(in € thousand)	December 31, 2017	December 31, 2016
Syndicated loan	1,470	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, 2017.

Long and medium term liabilities

As of December 31, 2017, Atos SE presents a long and medium term liabilities of 250 million related to the syndicated loan.

Liquidity risk

Syndicated loan

On November 6, 2014, Atos signed with a number of major financial institutions a five-year € 1.8 billion credit facility maturing in November 2020 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 has been exercised in 2015 and the new maturity of the € 1.8 billion credit facility is therefore November 2020. 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) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of December 31, 2017, Atos SE used € 250 million on this facility.

Securitization program

Atos securitization program of trade receivables has been renewed for 5 years on June 18, 2013 with Ester Finance, a subsidiary of Crédit Agricole CIB rated A- by Standard & Poor's and A2 by Moody's. The maximum amount of the program is € 200.0 million.

The trade accounts receivable of certain entities of Atos based in The Netherlands, in France, in the United Kingdom and in Germany are transferred on a recurring basis to this financing institution. This transaction is financed through the issue of commercial notes rated A1P1. This rate is granted due to an underlying deposit made by Atos. The deposit amount is calculated every month and is based on various criteria such as the dilution ratio, the days sales outstanding (DSO), losses, etc.

As of December 31, 2017, Atos SE has sold:

- in the compartment "ON" € 277 million in receivables of which € 10.0 million were received in cash;
- in the compartment "OFF" € 39.7 million in receivables of which all risks and rewards associated with the receivables was transferred to a third party financial institution.

The Group aligned its contractual obligations under this program on the most favourable conditions of the renewable multicurrency credit facility described above.

Liquidity risk at December 31, 2017

Instruments	Fix/Variable	Line (in € million)	Maturity
Syndicated loan	Variable	1,800	November 2021
Securitization program	Variable	200	June 2018
Bond borrowing	Fixe	600	July 2020
Bond borrowing	Fixe	300	September 2023

On June 2, 2017 Atos SE set up a Negotiable European Commercial Paper program (NEU CP), at variable interest rate, with a maximum outstanding amount of € 900,000,000.

On October 05, 2017 Atos SE increased the program size from € 900,000,000 to € 1,200,000,000.

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.

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

There is no subsequent events.

E.5.5 Atos SE financial summary for the last five years

(in € million)	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
I - Common stock at period end					
Common stock	105.4	104.9	103.5	101.3	98.2
Number of shares outstanding	105,445,349	104,908,679	103,519,242	101,332,527	98,165,446
Maximum number of shares that may be created by:					
• conversion of convertible bonds					
• exercise of stock subscription options	3,205,927	3,128,274	3,374,859	2,806,747	5,015,053
II - Income for the period					
Revenue.	144.4	169.6	107.0	116.6	122.5
Net income before tax. employee profit-sharing and incentive schemes. Depreciation. amortisation and provisions	76.7	23.5	32.7	339.1	94.7
Corporate income tax	13.5	6.2	8.2	-2.7	6.3
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	167.0	29.5	40.9	336.4	71.0
Dividend distribution	-	167.6	113.5	79.7	68.7
III – Per share data (in euros)					
Net income after tax and employee profit-sharing but before depreciation. Amortization and provisions	0.9	0.3	0.4	3.3	1.0
Net income after tax. employee profit-sharing. depreciation. amortisation and provisions	1.6	0.3	0.4	3.3	0.7
Dividend per share	-	1.6	1.1	0.8	0.7
IV – Employees					
Average number of employees during the period	1.0	1.0	1.0	-	-
Total payroll for the period	3.3	3.0	3.4	-	-
Employee social security and welfare payments	0.8	0.9	1.9	-	-

F

Risks analysis

[GRI 102-11]

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. Risks are assessed and monitored through Divisions and Functions. They are also appraised through the Internal Control initiatives and Internal Audit assignments. Those are further detailed in section G3.2.– Monitoring.

Finally, the extra-financial performance analysis assesses on a yearly basis, risks related to the four top areas underlined through the Corporate Responsibility and Sustainability Program. Those are Business & Innovation (detailed in section F2 – Business risks), People (detailed in section F2.5 – Human Resources), Environment (detailed in section F1.3 – Environmental risks) and Ethics & Governance (embedded in section G3.2.3 Components of the internal control system, F1.5 – Suppliers, F1.6 – Partnerships and subcontractors, F2 – Business risks and F3 – Compliance & reputation risks).

F.1 External risk factors

[GRI 102-10]

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, citizens' relationships and the development of smart cities.

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, cost optimization and new technologies.

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 73 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.

In June 23, 2016, British citizens voted to exit the European Union. On the activity in the UK, according to Atos, 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 Business lines de Worldline. The limited exposure has been confirmed in 2017; the business remains dynamic in the UK with strong opportunities.

The modifications of the immigration policy announced by the new US administration, notably in Executive Order 13788 of April 18, 2017, are expected to have a limited impact for Atos. Although the US revenue as of December 31, 2017 represents 17.3% of Atos Group revenue, the company does not massively rely on non-US workers or the H-1B visa program for the its US business. In addition, the delivery model for US clients is to provide services directly from the US. Offshore costs coming from India and Mexico represent respectively 6.6% and 1.1% of total costs in the US for the US entity. The US tax reform has been released end of December 2017. We are in the process of reviewing and assessing the impact for the Group.

A Country policy is in place in order to have common methodology to secure operations in identified risked zones. 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

[GRI 201-2]

For Atos, the specific risks in connection with the main environmental challenges concern climate changes (adaptation and carbon taxes), natural disasters (potential occurrence of extreme natural events) and regulatory compliance (change in regulations).

Environmental risks are also taken into account in Enterprise risk management (ERM) and Legal Risk Mapping (LRM) processes. The result of the internal risk analysis, carried out in 2017, 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 international groups or public organizations throughout different markets and countries,. It limits its risk of dependency on one particular client. The Group's top 5 and 10 customers generated respectively 12% and 18% of total Group revenues in 2017 and the top 50 customers generated 42% of total Group revenues.

Siemens is Atos first client and Partner. The dependence towards Siemens is limited due to the multiplicity of contracts the Group has with this customer having different termination dates, durations and terms and conditions for renewal. It is also reduced as Atos has a large group of similarly sized accounts (from 2 to 10 Top accounts) apart from Siemens that balance each other.

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 Atos to design, implement and operate IT systems for its own and its customers' needs. While there are alternative solutions for most sources of supply, there is always the possibility of 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 for managing the commercial relationship with the vendors including their identification and selection, input into customer bids, contract negotiation and signature, cost savings actions and innovation ideas. The Divisions are responsible for defining the specification of goods and/or services required and for managing the operational delivery to the right quality, cost and delivery indices.

Atos project performance may be degraded resulting from third party goods and/or services. This risk is further detailed in Section F2.3 – Risks related to contract and project performance.

To mitigate risks, the procurement process integrates the quality, cost, delivery, innovation, management and sustainability criteria from FR to supplier management. To assist in this risk mitigation, Atos receives regular assessments of Atos' Suppliers Corporate Social Responsibility risks from EcoVadis.

Regarding the ranking of the main vendors of Atos, the largest one accounted for 5.15% of total Group purchases in 2017, the five biggest represented 14.80% of the total and the ten biggest amounted to 21.42%.

At December 31, 2017, there was no binding commitment with vendors for capital expenditures higher than € 5 million.

F.1.6 Partnerships and subcontractors

[G102-8] [G203-2]

Atos' activities sometimes require partners and/or subcontractors' assistance on projects to complement its resources in terms of people, expertise or means. In such situation, partnerships may be formed or subcontractors may be used by Atos in order to win contracts and to perform duties.

This is a common practice; however, those third parties may represent risks as they expose Atos to liabilities: business, compliance, ethical and reputation risks. These partners are therefore closely monitored based on quality, cost, delivery, innovation, ethics and sustainability requirements.

Subcontracting is managed by HR Workforce Managers working in each entity; but the commercial relationship is through contracts negotiated by the Global Procurement function.

During 2017, the Group had in average 7,517 subcontractors (headcount) working across more than 70 countries.

In order to manage compliance risks with partners (including corruption or conflict of interest risks), a "business partner tool" supports the due diligence and approval process when contracting with partners. All partners are screened within this tool, and the approval process depends on the risk assessed by the tool. For more information on the Business Partner process, please refer to D.4.1.1, subsection "Due diligence and compliance risk management".

F.1.7 Competitors

In an increasingly global market, Atos organization is naturally facing some degree of competitive risk. Estimating the size of the risk posed is critical in order to efficiently respond to the emerging threats. This has been further detailed in section B2.2 Competitive landscape and new expected position of Atos.

F.1.8 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.1.9 Interest rate and exchange rate risks

Performing worldwide, Atos is subject to interest rate and exchange rate risks. The exposure and mitigation actions are presented in section E4.7.Note 23 - Fair value and characteristics of financial instruments.

F.2 Business risks

[GRI 102-10]

F.2.1 Innovation and new offerings

In a context of rapid technological evolutions, accelerated digital shockwaves, 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 reviewing global R&D roadmap and a specific risk assessment process (named "RAPID") has been setup to approve and follow R&D investments.

Atos is also addressing the risk related to the safeguard of Innovation and new offerings through a dedicated Intellectual Property Factory managing all types of IP assets: domain names, trademarks, copyrights, patents and trade secrets. Atos has applied for 5,000 patents. This is a defense mechanism against the competitors and patent trolls, where Atos might get attacked on infringement claims or litigations (Intellectual Property initiatives are further detailed in section F3.3 – Intellectual Property protection).

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.

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. To strengthen its defense capabilities and for preventing unauthorized access to information and systems, Atos has deployed an information security management system which is certified to the ISO 27001 standard.

Crisis management handling is defined in the Atos Crisis management Policy and is applicable to all Atos business entities and their executive leadership, management, and staff (employees and contractors).

In addition, there is also a Cyber Emergency Policy which was established to ensure the implementation of a consistent methodology by which Atos executive leadership, management, and staff (employees and contractors) will act in addressing any declared Cyber Emergency Event.

To minimize the impact of security incidents, reduce delay of reaction and enforce the management of cyber-security defenses, Atos has implemented a CSIRT (Computer Security Incident Response Team) to manage all security events and security incidents worldwide, employing a 24x7 follow the sun methodology. In addition, the CSIRT also provides forensic and threat management expertise. A Threat Intelligence Team is responsible for identifying and monitoring all published security vulnerabilities and must present to the Group Chief Security Officer security vulnerabilities based on specific criteria.

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. Often, 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;
- high involvement of support functions, and operational Business Units in multiple integrations could entail overloads which might impact day to day operations.

In the context of regular acquisitions 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 2017.

In order to attract Talent & Expert, continuous improvement cycles of the recruitment process in different countries have been established with the identification of Talents and Pool of experts in the market (Tier 1 Universities, Network of experts) and the set-up of career plans for Tier 1 Graduates and interns.

To retain Talent & Expert, an active follow up of key people (top performers, talents, experts) is monitored. Individual Development Plan as well Career Mobility programs (like Internal First) are developed, while enhancing key people identification and experts' community. Skills and performance enhancement is also managed through on-going investment in certifications, adaptive & multi-channel Learning and the development of Atos university in India.

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.

Delivery quality is dependent on the establishment of robust and stable teams, committed to meeting client's needs. Atos is therefore enhancing the Wellbeing@work culture with a specific focus on Individual care for everyone.

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 & Solutions and Infrastructure & Data Management. To keep up with increasing demand, the Group developed its near- and offshore capacity with more than 26,000 staff at the end of December 2017 in Global Delivery Centers and offshore countries. 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 Group is closely following the evolution of regulations in countries where it operates through the representatives of its Legal Director part of the operational units. In addition, the Group Compliance department releases weekly legal watch on the main regulations impacting the Group. Especially, the new regulation on GDPR in Europe is the object of an important mobilization.

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.3.5 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.4 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.4.1 Enterprise risk management (ERM)

A risk mapping is revised 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:

- external (stakeholders, natural disasters, country crisis, cyber-attacks, market environment);
- the organization & business development (ability to innovate, organization alignment, market positioning);
- services and product delivery (people, System performance, Delivery); 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 local 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 Director.

In parallel, other dedicated Risk Mappings are performed within departments such as in Legal and Compliance, Security, Corporate Social Responsibility.

F.4.2 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.4.2.1 Business risk management system

Atos Rainbow (Risk Assessment in Named Business Opportunities Worldwide) 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 at different levels (from country to Group level) according to their size and risk exposure, using the Rainbow Delivery Dashboard, providing status on financial, delivery and technology, customer, legal, Human Resources and supplier KPI's.

Bids are also monitored on a constant basis at different level (from country, Divisions, to Group level) according to their size, using review forms specific to bid phases (Pursuit, Strategy, solution, offer, contract,…) to balance sales and risks while ensuring the re-use of experience/best practices and the adherence to Atos standards.

F.4.2.2 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.4.2.3 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 led 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.4.3 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 2017 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 July 1 for Property Damage and Business Interruption insurance. In 2017, the Property Damage and Business Interruption policy and Professional Indemnity policies were both renewed for limits respectively of € 180 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.5 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-year of 2017 several significant claims made against the Group were successfully resolved in terms favorable to the Group.

In particular, in the timeframe between the July 1, 2017 and the December 31, 2017, 6 Major Risks – disputes above € 1 million or that involve Atos reputation – have been resolved. Among them, five litigations had no provision booked and one litigation had a provision of € 879,353 that impacted positively the total amount of commercial provisions registered by the Group as the provision has been released.

Group management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as December 31, 2017 to cover for the identified claims and litigations, added up to € 41.53 million (including tax claims but excluding labor claims). The increase of the provisions is due mainly to the definitive inclusion of Unify cases within the ones related to Atos Group for the purpose of this document. Please refer to E.4 Note 21 Provisions.

F.5.1 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.

Some 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 Stamp Duty re-imbursement. Following a judgement HSBC reached by the European Court of Justice, Atos UK commenced proceedings in 2009 to recover a stamp duty paid in 2000 of an amount over € 10 million. The Stamp Duty claim was won on the legal grounds in 2012. Regarding the statute of limitation a favorable judgement was released by the Court of London in April 2017.

The total provision for tax claims, as inscribed in the consolidated accounts closed as at 31 December 2017, was € 23.7 million.

F.5.2 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, Xerox ITO and Unify. Some of these cases involve claims on behalf of the Group and during the second half of 2017 some of them were successfully resolved. In particular, the most significant of these disputes concerns an action brought by the Group against a client in Serbia where it has been obtained a favorable and final arbitration award on September 2017. This dispute had a provision, as mentioned above, of € 879,353 that impacted positively the total amount of provisions registered by the Group for commercial claims as the provision has been released.

The cases coming from Unify which has been acquired by the Group from Siemens, are still subject to post-closing discussions and the Group is confident that it will obtain a satisfactory coverage of the associated risks. It is important to underline that Atos already executed a settlement agreement with Siemens for the Unify Brazilian cases. The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at December 31, 2017, amounts to € 19.92 million.

F.5.3 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 or inflated 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 of the claims exceeding € 300,000 have been provisioned for an overall amount of € 13.16 million as inscribed in the consolidated financial statements as at December 31, 2017.

F.5.4 Representation & Warranty claims

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

F.5.5 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.

F.6 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.

F.6.1 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 to establish operational effectiveness and efficiency, the safeguarding of assets and the reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

F.6.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

Board of Director supported by Audit Committee

The Board of Director 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 and business 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 Committees have 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 development and the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous monitoring and improvement within the Group. Internal control & ERM also runs the Enterprise Risk assessment in coordination with Global Functions, Divisions and Business Units.

Internal control relies on local internal control coordinators in each Global Function/Division/Business Unit who 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 is validated by general management. The Audit Committee also receives 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 audits.

In 2017, Group Internal Audit department obtained the renewal of the French Institute for Internal Audit's IFACI certification. This accreditation attests the quality of the Internal Audit (IA) function, the level of compliance with international standards and IA's degree of control over key challenges.

F.6.3 Components of the internal control system

A - Governance/control environment

The organization, competencies, policies (methods, procedures and practices) and systems 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.

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 approved by the Board of Director 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.

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.

Competencies: 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.

Policies and procedures: Policies and procedures contribute to an appropriate control environment.: They are gathered in the Book of Internal Policies and stored in a common repository. They include among other, Code of Ethics (further described in the section G6.2 – Code of Ethics), Data protection, Payments & Treasury Security Rules, Investment Committee, Security Policy.

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.

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 almost all countries of the Group except recently acquired entities, 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 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 are in place for 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 meets monthly to review the most significant and challenging contracts). Similarly, the same process has been duplicated 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 2017, 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 is used to issue "ISAE 3402" reports[1] for several Atos clients.

E – Monitoring

Monitoring of the 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 defines, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2017, Internal Audit carried out a total of 60 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 33 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 open recommendations is performed by Internal Audit with concerned owners, and critical, high & medium risk actions are reported up to the Group Executive Committee and Audit Committee. End of 2017, circa 85% of audit recommendations have been implemented.

Internal Audit has also actively contributed to help the business in meeting the compliance requirements to maintain the "payments institution" status for Worldline entities. 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.

F

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.*

F.6.4 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 and supplying 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.

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.

F.6.5 Outlook and related new procedures to be implemented

In 2018, 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 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 2017, and the follow-up of its recommendations.

G

Corporate governance and capital

G.1 Legal Information

G.1.1 Corporate form

[GRI 102-5]

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 and French legal provisions on "European companies", and to the extent they are not contrary to such specific provisions, French legal provisions, applicable to "sociétés anonymes", as well as by the Articles of Association.

G.1.2 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.1.3 Provisions of the Articles of Association

G.1.3.1 Governance, related party agreements

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 seven members and a maximum of eighteen 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 the employees and the Director representing the employee shareholders).

The Board of Directors comprises up to two Directors representing the employees. It may also comprise, when applicable legal requirements are met, a Director representing the 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.

G.1.3.2 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.

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, under 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.

G.1.3.3 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 the General Meeting of Shareholders, in accordance with articles L. 232-12 to L.232-18 of the French Commercial Code. The General Meeting of Shareholders 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 Corporate governance

[GRI 102-10], [GRI 102-18], [GRI 102-22], [GRI 102-24] and [GRI 102-26]

G.2.1 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 18, 2017 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. The AFEP-MEDEF Code is available on the AFEP website: www.afep.com, in the Governance section.

As at the date of publication of this Registration Document, and in compliance with the rule "Comply or Explain" set forth under article L. 225-37-4 of the Commercial Code and article 27.1 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.	On December 31, 2017, the Chairman and Chief Executive Officer held three mandates as Director in listed Companies outside the Atos Group, two of which are located 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).
Membership of the compensation committee (article 17.1 of the AFEP-MEDEF Code) It is recommended that the Chairman of the compensation committee be independent and that one of its members be an employee Director.	Currently, the committee does not comprise an employee Director as the appointment of an employee Director is very recent and the employee Director attended a Board meeting for the first time end of December 2017. The Board of Directors will consider such appointment in the near future after receiving the recommendation of the Nomination and Remuneration Committee.
Director's independence criteria (article 8.5.6 of the AFEP-MEDEF Code) The criteria to be reviewed by the committee and the Board in order for a Director to qualify as independent and to prevent risks of conflicts of interest between the Director and the management, the corporation, or the Group, are the following : - not to have been a Director of the corporation for more than twelve years. Loss of the status of independent Director occurs on the date at which this period of twelve years is reached.	As part of its annual review during the meeting of December 18, 2017, the Board confirmed its assessment of May 2017 and acknowledged that 70% of its Director were considered independent (seven out of ten members to be taken into account in order to calculate the independent Director ratio[1]), i.e. Nicolas BAZIRE, Valérie BERNIS, Bertrand MEUNIER, Colette NEUVILLE, Lynn PAINE, Pasquale PISTORIO and Vernon SANKEY. In particular, the Board considered that even though Vernon SANKEY had served for twelve years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008. Consequently, Mr. SANKEY was considered as having served 9 years so far under the current governance structure.

1 *As per article 8.3 of the AFEP-MEDEF Code, the Director representing the employee shareholders and the Director representing the employees are not taken into account for the ratios of independent Director.*

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 Independent 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 reinforcement of employee representation at Board level, 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.2.2 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:

(i) The Board of Directors is composed by 70% of independent Directors;

(ii) The Board has constituted two internal Committees, to help in the decision process, composed majoritarily or entirely of independent members;

(iii) 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 Independent Director, in order to ensure the implementation of best corporate governance standards by the Board of Directors;

(iv) At least twice a year, the Directors hold unformal meetings, in the absence of the Chairman and Chief Executive Officer, during which they discuss the Company's affairs, and address, among other subjects, the executive Director's succession plan;

(v) The Internal Rules of the Board of Directors specify the Board's reserved matters which require the Board's prior authorization (see below).

Limitations on the powers of the Chief Executive Officer

The Board has 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.2.3 The Board of Directors: composition and functioning

[GRI 102-5] [GRI 102-22] [GRI 102-23]

G.2.3.1 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, issues the report on corporate governance, 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.

G.2.3.2 Composition of the Board of Directors

The composition of the Board of Directors was modified in 2017 as a result of the following events:

Date	Concerned Director	Event
May 24, 2017	Nicolas BAZIRE	Renewal of the term of office as Director for 3 years.
	Valérie BERNIS	
	Roland BUSCH	
	Colette NEUVILLE	
December 18, 2017	Marie-Christine LEBERT	Appointment of Marie-Christine LEBERT as Director representing the employees.

As a result, as of December 31, 2017, the Board of Directors was composed of 12 members as listed below:

Thierry BRETON

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares:
537,000

Date of birth:
01/15/1955

Nationality: French

Date of first appointment :
Chairman & CEO : February 10, 2009 - Chairman of management Board : November 16, 2008

Date of last 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. He has also been President of the French National Association for Research and Technology (ANRT) since March 2015 and member of the National Academy of Technologies (France) since 2015.

Directorships and positions

Other directorships and positions as at December 31, 2017

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

Professionnal address:
LVMH, 22 avenue Montaigne 75008 Paris, France

Number of shares:
1,024

Date of birth:
07/13/1957

Nationality:
French

Date of first appointment :
February 10, 2009

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 90%
Committee:100%

Biography - Professional Experience

General Manager of Groupe Arnault SE

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, 2017

Within the Atos Group
None

Outside the Atos Group

France:

- Member of the Supervisory Committee : Montaigne Finance SAS
- Vice-President of the Supervisory Board : Les Echos SAS
- Deputy CEO :
  Financière Agache SA
  Semyrhamis SA
- Director :
  LVMH Moët Hennessy Louis Vuitton SE**
  Agache Développement SA
  Europatweb SA
  Groupe Les Echos SA
  LV Group SA
  Suez SA**
  Carrefour SA**
  Louis Vuitton (Fondation d'Entreprise)
  Christian Dior SE**
- Permanent Representative:
  Groupe Arnault SE, Director of Financière Agache SA
  Groupe Arnault SE, Director of Semyrhamis SA
  Ufipar SAS, Director of Louis Vuitton Malletier SA
  Montaigne Finance SAS, Director of GA Placements SA

Abroad :

- Permanent Representative:
  Ufipar SAS, Director of Société des Bains de Mer de Monaco SA**

Other positions held during the last five years

Within the Atos Group
None

Outside the Atos Group

- Director:
  Financière Agache Private Equity SA

* *Independent Director.*
** *Listed company.*

Valérie BERNIS*

Professionnal address:
28 boulevard Raspail 75007 Paris, France
Number of shares: 500
Date of birth: 12/09/1958
Nationality:
French
Date of first appointment:
April 15, 2015, ratified by AGM held on May 28, 2015
Date of last renewal: May 24, 2017
Term expires on: AGM ruling on the accounts of the 2019 financial year
Individual attendance rate:
Board : 100%

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.

Directorships and positions

Other directorships and positions as at December 31, 2017

Within the Atos Group

None

Outside the Atos Group

France:

- Member of the Board of Directors: Suez**, AROP,

Abroad:

- Independent member of the Board of Directors: l'Occitane International SA (Luxemburg)**

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).
- Member of the Supervisory Board : Euro Disney SCA (until January 11, 2017)**

* *Independent Director.*
** *Listed company.*

Roland BUSCH

Member of the Audit Committee
Professionnal address:
Siemens AG
Werner-von-Siemens-Straße 1 80333 Munich, Germany
Number of shares:
1,000
Date of birth:
11/22/1964
Nationality:
German
Date of first appointment :
July 1st, 2011
Date of last renewal:
May 24, 2017
Term expires on:
AGM ruling on the accounts of the 2019 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 and Chief Technology Officer 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, 2017

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Executive Vice-President, Member of the Management Board of Siemens** (Germany)
- Chief Technology Officer, Siemens** (Germany)
- Chairman Middle East, Commonwealth of Independent States, Siemens** (Germany)
- Head of Corporate Sustainability Office, Corporate Development & Corporate Technology Siemens** (Germany)
- Vice-Chairman of the Board of Directors and Member of the Audit Committee of OSRAM Licht AG** and Osram GmbH (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

Professionnal address:
4 Triton Square Regent's Place London NW13HG, UK

Number of shares:
1,072

Date of birth:
03/04/1969

Nationality:
British

Date of first appointment :
May 26, 2009

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 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, 2017	Other positions held during the last five years
None	None

Marie-Christine LEBERT

Director representing the employees

Professionnal address:
19 rue de la Vallée Maillard 41000 Blois, France

Number of shares:
10

Date of birth:
01/28/1963

Nationality: French

Date of first appointment :
December 18, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Biography - Professional Experience

Project leader, Worldline SA

Marie-Christine Lebert joined Atos as Programmer analyst in 1986, in the payment sector.

Marie-Christine Lebert has acted as international Project Leader, with over 20 years of experience in project and application portfolio management in payment area, as well as team management.

From 2000, Marie-Christine Lebert has engaged herself in employee representation having high level of responsabilities as successively chair and treasurer of local and national Works Councils.

From 2001 to 2017, Marie-Christine Lebert assumed the highest function vice-secretary and secretary of the European Works Council of Atos Group, after having initiated and taken part to the prior negotiations to the establishment of this European social dialog.

All these roles have given her a deep knowledge of French and European Social Dialog, and a solid understanding of Atos economy, businesses, industrial sectors, organisations, jobs and conditions, technological environnements and human aspects.

Marie-Christine Lebert was appointed Director representing the employees.

Directorships and positions

Other directorships and positions as at December 31, 2017	Other positions held during the last five years
None	None

Bertrand MEUNIER*

Member of the Nomination and Remuneration Committee **Member of the Audit Committee** **Professionnal address:** 111 Strand, London, WC2ROA9, UK **Number of shares:** 1,000 **Date of birth:** 03/10/1956 **Nationality:** French **Date of first appointment :** February 10, 2009 (Director) – July 3, 2008 (Member of Supervisory Board) ratified by General Meeting of February 10, 2009 **Date of last renewal:** May 28, 2015 **Term expires on:** AGM ruling on the accounts of the 2017 financial year **Individual attendance rate:** Board : 95% N&R Committee: 100% Audit Committee: 100%	**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, 2017** **Within the Atos Group** None **Outside the Atos Group** France: • Parex • Vedici • Linxens Abroad: • CVC Group Ltd (Luxemburg) • Continental Food (Belgium) • PDC Brands (USA)	**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*

<table>
<tr>
<td rowspan="4">

Professionnal address:
ADAM
4, rue Montescot
28000 Chartres, France
Number of shares:
1,012
Date of birth:
01/21/1937
Nationality:
French
Date of first appointment :
May 30, 2012 (Director) – June 12, 2008 (member of Supervisory Board) – April 13, 2010 (Censor) ratified by General Meeting of May 27, 2010
Date of last renewal:
May 24, 2017
Term expires on:
AGM ruling on the accounts of the 2019 financial year
Individual attendance rate:
Board : 95%

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<td colspan="2">Biography - Professional Experience</td>
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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.

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<td colspan="2">Directorships and positions</td>
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Other directorships and positions as at December 31, 2017
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 Club of the Chairmen of Remuneration Comittees, of the *Conseil de Gouvernance de l'Ecole de Droit & Management de Paris.*

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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
• Director (and also member of the Audit Committee) of Numericable-SFR** from November 27, 2014 to January 12, 2016

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* *Independent Director.*
** *Listed company.*

Aminata NIANE

Profile	Biography - Professional Experience
Professionnal address: BP 3183 – DAKAR, Senegal **Number of shares:** 1,012 **Date of birth:** 12/09/1956 **Nationality:** Senegalese **Date of first appointment:** May 27, 2010 **Date of last renewal:** May 26, 2016 **Term expires on:** AGM ruling on the accounts of the 2018 financial year	**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 the 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, 2017	Other positions held during the last five years
None	**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)

Lynn PAINE*

Member of the Audit Committee

Professionnal address:

Harvard Business School,

Soldiers Field Road,

Boston, Massachusetts 02163

Number of shares: 1,000

Date of birth: 07/17/1949

Nationality: American

Date of first appointment:

May 29, 2013

Date last renewal: May 26, 2016

Term expires on: AGM ruling on the accounts of the 2018 financial year

Individual attendance rate:

Board 90%

Committee: 100%

Biography - Professional Experience

John G. McLean Professor of Business Administration, Harvard Business School, Senior Associate Dean for International Development

Lynn Paine is John G. McLean Professor of Business Administration and Senior Associate Dean for International Development at Harvard Business School. She previously served as Senior Associate Dean for Faculty. 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 for 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 Academic Advisory Council of the Hills Program on Governance at the Center for Strategic and International Studies (CSIS), in Washington, D.C.; 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

Other directorships and positions as at December 31, 2017

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Global Advisory Council, Odebrecht S.A., São Paulo, (Brazil)
- Selection Panel, Luce Scholars Program, Henry Luce Foundation, NYC (USA)

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 (USA) (2010-2016)
- Governing Board (Public Member), Center for Audit Quality, Washington D.C. (USA) (2007-2016)
- Academic Advisory Council, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C. (USA) (2001-2017)

* *Independent Director.*

Pasquale PISTORIO*

Lead Independent Director **Member of the Nomination and Remuneration Committee** **Professionnal address:** River Ouest - 80 quai Voltaire 95870 Bezons, France **Number of shares:** 1,000 **Date of birth:** 01/06/1936 **Nationality:** Italian **Date of first appointment:** February 10, 2009 **Date of last renewal:** May 28, 2015 **Term expires on:** AGM ruling on the accounts of the 2017 financial year **Individual attendance rate:** Board: 100% Committee: 100%	**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 was renamed STMicroelectronics in 1998. In 2005, Pasquale Pistorio is appointed *Honorary Chairman* of the Board of Directors and ambassador of STMicroelectronics. **Directorships and positions** **Other directorships and positions as at December 31, 2017** **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)	 **Other positions held during the last five years** **Within the Atos Group** None **Outside the Atos Group** • Independent Director: Fiat S.p.A.** (Italy)

* *Independent Director.*
** *Listed company.*

Vernon SANKEY*

Chairman of the Audit Committee

Professionnal address:
51 Walnut Court, St Mary's Gate, London W85UB, UK

Number of shares:
1,000

Date of birth:
05/09/1949

Nationality:
British

Date of first appointment:
February 10, 2009 (Director) – December 16, 2005 (Member of Supervisory Board) ratified by General Meeting of May 23, 2006

Date of last renewal:
May 26, 2016

Term expires on:
AGM ruling on the accounts of the 2018 financial year

Individual attendance rate:
Board : 95%
Committee: 86%

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, 2017

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Chairman, former Director: Harrow School Enterprises Ltd (United Kingdom)
- Member: Pi Capital (United Kingdom)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Chairman: Firmenich (Switzerland)
- Director: Zurich Insurance AG (Switzerland)

* *Independent Director.*

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	63	December 30, 2016		AGM* 2019	537,000
Nicolas Bazire[1]	French	60	May 24, 2017	N&R*	AGM 2020	1,024
Valérie Bernis	French	59	May 24, 2017		AGM 2020	500
Roland Busch	German	53	May 24, 2017	A*	AGM 2020	1,000
Jean Fleming[2]	British	49	May 24, 2017		AGM 2020	1,072
Marie-Christine Lebert[3]	French	55	December 18, 2017		AGM 2020	10
Bertrand Meunier	French	62	May 28, 2015	N&R/A	AGM 2018	1,000
Colette Neuville	French	81	May 24, 2017		AGM 2020	1,012
Aminata Niane	Senegalese	61	May 26, 2016		AGM 2019	1,012
Lynn Paine	American	68	May 26, 2016	A	AGM 2019	1,000
Pasquale Pistorio	Italian	82	May 28, 2015	N&R	AGM 2018	1,000
Vernon Sankey[4]	British	68	May 26, 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*
3 *Director representing the employees*
4 *Chairman of the Audit Committee.*

G.2.3.3 Shareholding obligations

Pursuant to the Articles of Assocation, each Director must own at least 500 shares. However, such requirement does not apply to the Director representing the employees and the Director representing the employee shareholders.

G.2.3.4 Diversity policy at Board level

The Board of Directors held on December 18, 2017, upon recommendation of the Nomination and Remuneration Committee, examined the composition of the Board of Directors and approved the diversity policy applicable at Board level. In that respect, after carefully analyzing the Board's membership with respect to such criteria as age, gender, skills, professional experience, nationality and independence, and in light of the evolution of the Board composition over the past recent years, it set the following objectives:

(i) Age of Directors: Directors' age rank from 49 to 82 with an average of 63 years old. The Board considered that current age average is satisfactory and closely monitors the limit of one third exceeding 70 years old set in the Articles of Association;

(ii) Gender diversity: Woman's presence on the Board was strengthened in 2017 with the appointment of Marie-Christine Lebert as Director representing the employees. As a result, as at December 31, 2017, the Board of Directors was composed of 6 men and 6 women. The Board considered that the current ratio is highly satisfactory and aims at upholding the current ratio of 50% allowing a perfect equal representation of men and women;

(iii) Diversity of skills and professional experience : The Board acknowledged that (i) Directors have extensive professional experience in various industries on high profile positions and are serving or have served as Directors or corporate officers in other French or non-French companies, some of which are listed on the stock exchange, (ii) the diversity of skills is well reflected in the variety of profiles of Board members who have different experiences and trainings: engineering, finance, education, management skills, etc., and (iii) the Board recently welcomed a Director representing the employees which enriched the panel of professional experience and perspective. Consequently, the Board considered that the current diversity of skills is satisfactory and should be upheld;

(iv) Diversity of nationalities: The proportion of Directors of non-French nationality reaches 50% which is in line with the Group's international dimension. Consequently, the Board considered that the current ratio is highly satisfactory and set the objective to uphold the current ratio in line with the Group's identity;

(v) Directors' independence: Current ratio of independent Directors is 70%. The Board considered that the ratio is satisfactory and that the Company should remain above the ratio recommended by the AFEP-MEDEF Code (i.e. at least half of the Board members).

G.2.3.5 Lead Independent 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 Independent 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 Independent Director.

As per the Internal Rules of the Board of Directors, the Lead Independent 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.2.8. 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 Independent Director. In connection with the carrying out of his duties, the Lead Independent Director is assisted by the Company's General Secretarial team for administrative tasks.

G.2.3.6 Employee's participation at Board level

The Board comprises a Director representing the employee shareholders, appointed by the General Meeting. The appointment of such Director was voluntarily submitted to the General Meeting in 2013 and 2017.

Following the amendment of the Articles of Association during the 2017 annual General Meeting which aimed at implementing the provisions of the Rebsamen law of August 17, 2015, the Board now also comprises a Director representing the employees within the meaning of article L225-27-1 of the French Commercial Code, appointed as per the procedure set in the Articles of Association.

Both the Director representing the employee shareholders and the Director representing the employees are expressly designated as members of the Board in the Internal Rules. In that respect, they participate in the meetings and deliberations of the Board. They have the same obligations as any other Directors, in particular of confidentiality, save for the obligation to hold at least 500 shares of the Company.

In addition, pursuant to an agreement of December 14, 2012, 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".

With the implementation of all these schemes, the Company is showing its great interest for employee representation within the Group.

G.2.3.7 Directors' training

As per the AFEP-MEDEF Code recommendations, upon the appointment of a new Director, various sessions are offered with the main group executives on the group's business, organization and governance.

In that respect, as newly appointed Director, but also in her capacity as Director representing the employees, Ms. Marie-Christine Lebert received a full training, upon her appointment on the Board of Directors, on such subjects as corporate governance and corporate law, finance and company's businesses and markets. She was provided with the Company's governance documentation (Articles of Association, Board Internal Rules, Charter of the Atos Board of Directors) and alerted on stock exchange regulation obligations applying to directors of listed companies. In addition, she was informed of training opportunities as provided by law.

A specific training is also provided to Directors appointed on the Audit Committee. Upon their appointment on the Committee, Mr. Meunier and Ms. Paine were trained by the Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the Company's specific accounting, financial or operational features and the Company's governance.

G.2.3.8 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.

G.2.3.9 Potential conflict of interest and agreements [GRI 102-25]

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 of the Company's knowledge, there are no parental relationships between any executive officers and Directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the Articles of Association under which each Director must own at least 500 shares of the Company and the retention obligations that the Board of Directors defined for the Chairman and Chief Executive Officer of the Company.

G.2.3.10 Internal rules of the Board of Directors

The Board of Directors of Atos SE has approved Internal Rules which govern the works of the Board of Directors. The Internal Rules were last updated during the Board meeting held on December 18, 2017. The Board's Internal Rules include, as attachments, a Charter of the Atos Board of Directors and a Guide to the prevention of insider trading.

The Internal Rules specify the rules on composition, operation and 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 Independent 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 supra) 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 Atos Board of Directors and the Guide to the prevention of insider trading are provided to the Directors who acknowledge the provisions of these documents. Extracts of the Guide to the prevention of insider trading may be found in section G.5.4.

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 Independent Director, (iv) Participative Committee representatives, (v) mission and operation of the Committees, (vi) assessment of the works of the Board of Directors, are 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 Atos Board of Directors

The Charter of the Atos 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 or her rights and obligations binding upon him or her. 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 Atos 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 and the Director representing the employees.

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

[GRI 103-25]

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.2.4 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 that may interfere with his or her freedom of 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 during the course of the previous five years:
  - an employee or executive officer of the corporation;
  - an employee, executive officer or a Director of a company consolidated within the corporation;
  - an employee, executive officer or a Director of the company's parent company or a company consolidated within this parent;
- the Director shall not be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office during the last five years) is a Director;
- the Director shall not be (or be linked directly or indirectly to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group ;
  - **or** for a significant part of whose business the corporation or its group accounts;
- the Director shall not be related by close family ties to a company Officer;
- the Director shall not have been an auditor of the corporation within the previous five years;
- the Director shall not have been a Director of the corporation for more than twelve years. The loss of the status of independent Director occurs on the date at which this period of twelve years is reached.

Directors representing major shareholders of the Company, these may be considered as being independent, provided that they do not take part in the control of the Company. In excess of a 10% holding of stock or votes, the Board, upon a report from the nomination Committee, should systematically review the qualification of a Director as an independent Director, in the light of 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 18, 2017, on the recommendation of the Nomination and Remuneration Committee retained the same criteria as those used the previous year:

- a quantitative criterion, being the consolidated turnover of 1% performed by the Company with a group within which an Atos Director exercises a function and/or holds 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 members' independence was assessed during the Board meeting held after the 2017 Annual General Meeting, on the occasion of the renewal of mandates during the General Meeting and the modification of the composition of the Audit Committee right after it. The Directors confirmed to be independent were: Nicolas Bazire, Valérie Bernis, Bertrand Meunier, Colette Neuville, Lynn Paine, Pasquale Pistorio and Vernon Sankey, i.e. a ratio of 70% (seven out of ten members to be taken into account in order to calculate the independent Director ratio)[1]

As part of its annual review during the meeting of December 18, 2017, the Board, relying on the preliminary work of the Nomination and Remuneration Committee, and on the basis of the above mentioned criteria, confirmed its assessment of May 2017 and acknowledged that 70% of its Directors were considered independent (seven out of ten members to be taken into account in order to calculate the independent Director ratio: Nicolas Bazire, Valérie Bernis, Bertrand Meunier, Colette Neuville, Lynn Paine, Pasquale Pistorio and Vernon Sankey). i.e. more than half of the Board members, in conformity with the AFEP-MEDEF recommendations. Consequently, the Board acknowledged that the Audit Committee and the Nomination and Remuneration Committee were both chaired by an independent Director.

In particular, the Board considered that even though Vernon Sankey had served for twelve years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008. Consequently, Mr. Sankey was considered as having served 9 years so far under the current governance structure.

Five out of twelve 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), Jean Fleming, Director representing the employee shareholders and Marie-Christine Lebert, Director representing the employees by virtue of their quality as employees of a subsidiary of the Company (it being specified that as Directors representing the employee and the employee shareholders, Ms. Jean Fleming and Marie-Christine Lebert are not taken into account in the percentages of independent Directors), and Ms. Aminata Niane due to her special mission, entrusted by the Board, in West Africa and Morocco.

(1) *As per article 8.3 of the AFEP-MEDEF Code, Directors representing the employee shareholders and Director representing employees are not taken into account when determining the percentage of independent Director.*

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	YES	YES	YES	YES	YES
Roland Busch	YES	YES	NO	NO	NO	NO
Jean Fleming	NO	YES	YES	YES	YES	YES
Marie-Christine Lebert	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	NO
Lynn Paine	YES	YES	YES	YES	YES	YES
Pasquale Pistorio	YES	YES	YES	YES	YES	YES
Vernon Sankey	YES	YES	YES	YES	YES	YES

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	Not independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Not Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent
YES	YES	YES	YES	Independent

G.2.5 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 natural 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 2017

Pursuant to the Articles of Association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2017 financial year, the Board of Directors met 20 times.

Global attendance of Directors at these meetings was an average of 91%. Minimum Individual attendance rate to these meetings was 60% and maximum individual attendance rate was 100%.

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 2018 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;
- 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 terms and conditions of the acquisition of Siemens Convergence Creators Holding GmbH by Atos International B.V., a subsidiary of the Company (pursuant to a Sale and Purchase Agreement regarding the sale and purchase of the Siemens Convergence Creators Business entered into on September 29, 2017) and authorization of a parental guarantee in connection with this transaction;
- review of the terms and conditions and authorization of a public offer on the shares of Gemalto, periodic review of the transaction's status, followed by the decision not to pursue the offer;
- regular reviews of the external growth operations.

As far as compensation is concerned:

- setting the objectives of the variable part for H2 2017 and H1 2018, and confirming the results for his variable compensation related to H2 2016 and H1 2017;
- setting the objectives of the performance conditions for 2017 applicable to the defined benefits pension scheme benefiting to the Chairman and Chief Executive Officer, confirming the results for the performance conditions for 2016 applicable to the said pension scheme;
- review of the resolutions to be submitted to the annual General Meeting on the say on pay "ex post" and "ex ante" in relation to the compensation of the Chairman and Chief Executive Officer;
- setting up a performance share allocation plan in favor of the Chairman and Chief Executive Officer;
- setting up of a performance shares allocation plan and amendment thereof following discussions conducted by the Company with shareholders and proxy advisory firms;
- 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, setting final number of performance shares granted to the Chairman and Chief Executive Officer pursuant to the plan dated July 26, 2016, deciding on the delivery method of performance shares;
- deciding the implementation of a share buyback program in connection with the vesting of performance shares;
- review of a project of employee stock ownership plan.

As far as governance is concerned:

- convening the Annual General Meeting, reviewing and approving the Board of Directors' report to the Annual General Meeting;
- convening an Extraordinary General Meeting on July 24, 2017, to decide on an amended performance share plan in 2017;
- review and approval of the procedure related to the appointment of a Director representing the employee shareholders;
- review of a resolution to amend the Articles of Association to be submitted to the Annual General Meeting regarding the appointment of a Director representing the employees;
- review and update of the Internal Rules of the Board of Directors;
- welcoming of the Director representing the employees and approval of the amendment of the Internal Rules of the Board of Directors following the appointment of the latter;
- review of a plan for the succession of the Chairman and Chief Executive Officer;

- review of the Group's Corporate Social Responsibility program and the Group's results at the Global Reporting Initiative;
- review of the report made by Ms. Aminata NIANE on the mission entrusted to her in West Africa and approval of the renewal of her mission for 12 months depending on the progress of the mission, as from March 1, 2017;
- review of the operation of the corporate bodies and corporate governance (confirmation of the composition of the Committees after the renewal of terms of office decided by the Annual General Meeting, renewal of certain delegations 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 Code recommendations, review of the Chairman's report on governance and internal control, annual review of related parties agreement authorized during previous financial years, allocation of Director' fees).

The Board regularly heard the report by 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.2.6 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 are specified by the Internal Rules of the Board of Directors.

The Committee formulates all opinions or recommendations to the Board of Directors within the area described 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 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 2017 financial year, the Audit Committee was composed as follows[1]:

- Vernon Sankey* (Chairman of the Committee);
- Dr. Roland Busch;
- Aminata Niane*[2] up until May 24, 2017;
- Lynn Paine* as from May 24, 2017[3];
- Bertrand Meunier*;

i.e. four members, three of which are independent throughout 2017.

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). Ms. Paine and Mr. Busch have the required expertise by virtue of their education and professional experience.

In addition, upon their appointment on the Audit Committee, Mr. Meunier and Ms. Paine were trained by the Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the company's specific accounting, financial or operational features and the Company's governance. This training shall be implemented on the occasion of any new appointment on the Audit Committee.

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.

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 2017, the Audit Committee, in its operation, benefited from Company's internal skills, in particular the Group Chief Financial Officer, the Group Head of Internal Audit, the Group Senior Vice-President Bid Control and Business Risk Management, the Senior Vice-President Group Controlling & Accounting, the Group Head of Mergers and Acquisitions, Legal, Compliance and Contract management, 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 2017

During the 2017 financial year, the Audit Committee met 7 times. Attendance of members to the meetings was an average of 86%. Minimum individual attendance rate to these meetings was 57.1% and maximum individual attendance rate was 100%.

During the 2017 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 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 reviewed relevant sections of the Registration Document. The Committee was regularly informed on the state of the Group's treasury and financing needs as well as on Unify financial performance. 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.

*(1) Independent Director are identified by this symbol: *.*
(2) Independent Director up until May 24, 2017. Ms Niane resigned from her office on the Audit Committee with effect as of May 24, 2017.
(3) Member of the Audit Committee appointed by the Board of Directors on May 24, 2017 following the resignation of Ms Niane.

The Committee was informed by the auditors of the changes in the auditors' report on consolidated and parent's financial statements as per new EU regulation and the changes in IFRS environment.

It also examined the fees and the independence of the statutory auditors and reviewed the conditions of renewal of the auditors' mandates.

G.2.7 The Nomination and Remuneration Committee

[GRI 102-36] [G 102-37]

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 employees 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 attendance 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 2017 financial year, the Nomination and Remuneration Committee was composed as follows[1]:

- Nicolas Bazire (Chairman)*;
- Bertrand Meunier*;
- Pasquale Pistorio*.

All of its members are independent, being in perfect conformity with the recommendations of the AFEP-MEDEF Code.

Currently, the Committee does not comprise an employee Director as the appointment of an employee Director is very recent and the employee Director attended a Board meeting for the first time end of December 2017. The Board of Directors will consider such appointment in the near future after receiving the recommendation of the Nomination and Remuneration Committee.

*(1) Independent Directors are identified by this symbol: *.*

Operating rules

The Nomination and Remuneration Committee meets without the Chairman and Chief Executive Officer's presence for the 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.

The Committee may use external experts as needed.

Works in 2017

During the 2017 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 2017 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- review of variable compensation of the Chairman and Chief Executive Officer that is due for the second semester of 2016 and the first semester of 2017;
- setting of the performance objectives applicable to the variable compensation of the Chairman and Chief Executive Officer for the second semester of 2017, and for the first semester of 2018;
- review of the conformity of the Chairman and Chief Executive Officer's compensation with the recommendations of the AFEP-MEDEF Code;
- review of a plan for the succession of the Chairman and Chief Executive Officer;
- 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);
- setting final number of performance shares granted to the Chairman and Chief Executive Officer pursuant to the plan dated July 26, 2016;
- validation of 2016 performance conditions applicable to the supplementary pension scheme with defined benefits benefitting to the Chairman and Chief Executive Officer and proposal of 2017 performance conditions under the pension scheme;
- review of the resolutions to be submitted to the annual General Meeting on the say on pay "ex post" and "ex ante" in relation to the compensation of the Chairman and Chief Executive Officer;
- review of the procedure related to the appointment of a Director representing the employee shareholders;
- review of a resolution to amend the Articles of Association to be submitted to the annual General Meeting regarding the appointment of a Director representing the employees;
- proposal regarding the setting up a performance share allocation plan in favor of the Chairman and Chief Executive Officer ;
- proposal regarding the setting up of a performance shares allocation plan and amendment thereof following discussions conducted by the Company with shareholders and proxy advisory firms;
- proposal regarding the implementation of a share buyback program in connection with the vesting of performance shares;
- review of a project of an employee stock ownership plan;
- composition of the Board of Directors and the renewal of Directors mandates during the 2017 Annual General Meeting;
- total amount of Directors' fees (*jetons de presence*) envelope that was proposed during the 2017 General Meeting and the terms and conditions of allocation of these Directors' fees;
- review of the Board members' independence.

G.2.8 Assessment of the works of the Board of Directors

[GRI 102-28]

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 evaluation has three objectives:

(i) to assess the way in which the Board operates;

(ii) to check that the important issues are suitably prepared and discussed;

(iii) to measure the actual contribution of each Director to the Board's work.

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 Independent Director, Pasquale Pistorio. For the 2017 financial year, the Board decided during its meeting held on October 23, 2017, to proceed with a formalized assessment under the same conditions as for the previous years.

The formalized assessment carried out on the works of the Board and its Committees during the 2017 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 Independent Director, each Director answers a questionnaire which he is individually provided, with the possibility of individual interviews with the Lead Independent 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 satisfactory nature of the actual contribution of each Director to the works of the Board ;
  - 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 December 18, 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 Independent 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 until December 2017, and 6/12, i.e. 50% as from that date) and of Directors of foreign nationality (6/11, i.e. 55% of members until December 2017, and 6/12, i.e. 50% as from that date). They also mentioned that the diversity of skills was appropriate at the Board level;
- they were pleased that the Board of Directors addressed in 2017 in details such issues as strategy, growth and Atos positioning towards competitors, as was requested the previous year; they considered that it would be beneficial for this exercise to be renewed in 2018, for example through the organization of one or two specific days devoted to certain strategic topics (e.g. artificial intelligence, Quantum Learning Machine, cybersecurity), including, if possible, in other geographies than France representing important stakes for the Group;
- 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 2017 (DJSI World and Europe and Ecovadis Gold level)- should, as in 2017, be discussed in details at Board level in 2018.

In addition to being addressed through the questionnaire (in particular with the assessment of the actual contribution of each Director), the assessment of the performance of the Chief Executive Officer took place twice in 2017, during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2016 and the first semester 2017, on the achievement of the performance criteria of the Chairman and Chief Executive Officer's variable compensation.

G.2.9 Board of Directors' report on Corporate Governance

Dear Shareholders,

Pusuant to the provisions of article L.225-37 of the French Commercial Code, the Board of Directors of Atos SE (the "Company") hereby presents its Report on Corporate Governance, approved during its meeting held on February 20, 2018.

The 2017 Registration Document includes all corporate governance-related items required under article L. 225-37 *et seq* of the French Commercial Code to be included in the Board of Directors' report on Corporate Governance. Consequently, the following table allows identifying in the 2017 Registration Document the required information.

Information required under L. 225-37 *et seq* of the French Commercial Code	Section of the 2017 Registration Document
Governance *(L. 225-37-4 CCom)*	
List of mandates and functions in any company exercised by each corporate officers during the financial year	G.2.3.2
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding more than 10% of the voting rights	G.2.5
Table of on-going delegations to proceed to share capital increases	G.6.7.7
Choice of terms and conditions to exercise the general management of the Company	G.2.2
Composition of the Board of Directors and conditions of organization of the works of the Board of Directors	G.2.3, G.2.5
Diversity policy at Board of Directors level	G.2.3.4
Limitations of powers on the Chief Executive Officer	G.2.2
Recommendations of Corporate Governance Code which are not followed and place where Code may be consulted	G.2.1
Specific terms and conditions of participation in General Meetings	G.1.3.2
Executive Compensation *(L. 225-37-2 and L225-37-3 CCom)*	
Presentation of draft resolutions on compensation policy to be submitted to the General Meeting in the context of the *ex ante* vote	G.3.2.1, G.4.3
Corporate officers' compensation paid during the closed financial year	G.3.1, G.3.2.2, G.4.2
Undertakings in favor of corporate officers in case of taking up, ending or change of functions.	G.3.2.1, G.3.2.2
Elements likely to have an impact in case of public offer *(L. 225-37-5 CCom)*	
Structure of share capital of the Company	G.6.1.2, G.6.2
Limitations on the exercise of voting rights and share transfers as per the articles of association	G.1.3.2, G.6.7.4, G.6.7.5
Direct or indirect shareholdings in the share capital of the Company	G.6.2, G.6.7.3
List of holders of any securities with special control rights	N/A
Control mechanisms in employee shareholding systems	G.6.7.5
Agreements between shareholders which may result in restrictions to share transfers and the exercise of voting rights	G.6.7.5
Rules applicable to the appointment and replacement of Board of Directors members and the amendment of the articles of association of the Company	G.1.3.1, G.1.3.2
Powers of the Board of Directors' (in particular for the issuance or buyback of shares)	G.1.3.1, G.2.2, G.6.7.6, G.6.7.7
Agreements entered into by the Company which are modified or terminated in case of change of control of the Company	G.6.7.5
Agreements providing for indemnities to Board of Directors members or employees upon termination of their employment contract, by resignation or termination without real and serious cause, or pursuant to a purchase or exchange public offer	G.3.2.1, G.3.2.2, G.6.7.5

The Board of Directors of Atos SE

Represented by Thierry BRETON, Chairman

G.3 Executive compensation and stock ownership

G.3.1 Directors' fees

[GRI 102-35] and [GRI 102-51]

In accordance with a resolution adopted at the Combined General Meeting of May 24, 2017, the 2017 annual budget for Director' fees was set at € 500,000.

The rules of payment of the Director' fees are set by the Board of Directors, based on the proposal of the Nomination and Remuneration Committee. For 2017, 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 Independent 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;
- successive meetings held on the same day account for one meeting as far as Directors' fees are concerned;
- as far as Directors' fees are concerned, the Board may consider one meeting, in case several meetings, held on different days but in a close timeframe, are connex.

As it was the case the previous years, Thierry Breton has renounced to the Director's fees he was entitled to. In addition, as per the Articles of Association, the Director representing the employees does not receive Directors' fees.

With the exception of (i) Thierry Breton, Chairman and Chief Executive Officer, (ii) Jean Fleming, Director representing employee shareholders, (iii) Marie-Christine Lebert, Director representing the employees, and (iv) 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 2017 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 and on February 21, 2017, it approved its renewal for twelve months, depending on the progress of the mission, as from March 1, 2017. The compensation owed for 2017, corresponding to the outstanding amount owed pursuant to the mission terminated end of 2017, amounted to 58 333 euros.

G.3.1.1 Director's fees paid and due to Director according to their attendance at the Board of Directors and committees meetings in 2017

in euros	2017				2016			
	Paid[a]		Owed[b]		Paid[c]		Owed[d]	
Nicolas Bazire	44,000		51,500		44,500		44,000	
Valérie Bernis	33,500		45,500		24,877 [1]		33,500	
Thierry Breton	-		-		-		-	
Roland Busch	29,750	*	38,000	*	26,000	*	29,750	*
Jean Fleming[2]	35,000	*	39,500	*	35,000*		35,000	*
Marie-Christine Lebert[3]	N/A		N/A [4]		N/A		N/A	
Bertrand Meunier	47,000	*	54,500	*	39,500	*	47,000	*
Colette Neuville	38,000		44,000		37,000		38,000	
Aminata Niane	43,250	*	47,750	*	39,500	*	43,250	*
Lynn Paine	38,000	*	44,750	*	37,000	*	38,000	*
Michel Paris	N/A		N/A		9,322		N/A	
Pasquale Pistorio	47,750	*	74,750	*	46,000	*	47,750	*
Vernon Sankey	48,500	*	53,000	*	47,500	*	48,500	*
TOTAL	**404,750**		**493,250**		**386,199**		**404,750**	

N/A: Non applicable.
** These fees granted to Directors residing outside of France correspond to the amounts, before withholding tax, paid or due by Atos SE.*
a Directors' fees paid in 2017 for the year 2016.
b Directors' fees owed for the year 2017.
c Directors' fees paid in 2016 for the year 2015.
d Directors' fees owed for the year 2016.
1 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.
2 Ms. Jean Fleming, Director representing the employee shareholders is employed by the Atos Group.
3 Ms. Marie-Christine Lebert, Director representing the employees, is employed by the Atos Group.
4 Ms Marie-Christine Lebert was appointed Director representing the employees. The Director representing the employees does not receive Directors' fees.

The variable portion of the Directors' fees represents the majority (59.5%) of the total Director's fees, which is in conformity with article 20.1 of the AFEP-MEDEF Code.

G.3.2 Executive compensation

[GRI 102-35]

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 3-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.3.2.1 Principles and criteria for setting, allocating, and granting, all elements of compensation of the Chairman and CEO, submitted to the Shareholders' vote

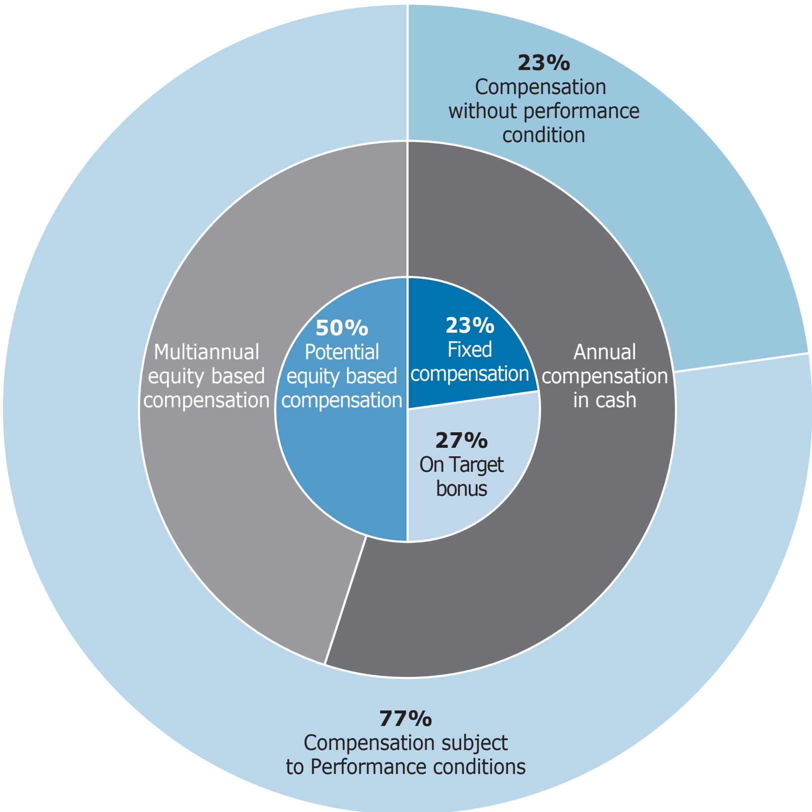
The principles of the compensation of the Chairman and CEO of Atos SE are proposed by the Nomination and Remuneration Committee, approved by the Board of Directors and submitted to the Shareholders' vote.

The 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 accordance with these general principles of compensation, the Board of Directors, during its meeting on November 24, 2016, upon recommendation of the Nomination and Remuneration Committee, set the compensation of the Chairman and CEO applicable throughout the plan 2017-2019 based on comparisons with nation-wide, European, international and sectoral references and taking into account, in particular, the Chairman and CEO compensation history with regard to the performance of the Company under its various mandates. As a reminder, the Chairman and CEO's compensation remained unchanged from January 1, 2012 to December 31, 2016, period during which the Company's revenue grew by 40% and its market capitalization multiplied by almost 4.



Therefore, this compensation results from a balance between the performance of the Chairman and CEO, Atos SE social interest and market practices.

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 as from January 1st, 2017 **for the duration the 3-year plan "2019 Ambition"**:

1. Fixed compensation

The fixed annual compensation paid to the Chairman and CEO as from January 1, 2017, amounts to € 1.4 million.

2. Variable compensation

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.

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 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. 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.

For both semesters of 2017 and 2018, the nature and weighting of each indicator of the variable on-target bonus of the Chairman and CEO 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 the biannual objectives on which the variable compensation of the Chairman and CEO is based on in connection with the Group ambition to deliver in the context 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 and 2017 Registration Document)

Thus, for each performance indicator, the Board of Directors sets:

- a predefined target, aligned with the strategic plan (budget), the attainment of which resulting in 100% achievement for getting the on-target variable compensation in respect of this indicator;
- a floor which defines the threshold below which no variable compensation for that component is due;
- a cap which defines the threshold above which the variable compensation for that indicator is capped at 130% of its on-target amount.

The elasticity curve accelerates the amount of the variable compensation due upwards and downwards according to the level of achievement of each of the objectives.

Pursuant to the provisions of the so-called "Sapin 2" law, the payment of the variable compensation due for the second semester 2017 is subject to the approval of the Shareholders' General Meeting which will validate the 2017 consolidated financial statements. According to the article L. 225-37-2 of the French Commercial Code (Code de Commerce), the payment of the variable compensation due for the first and the second semester 2018 will be subject to the approval of the Shareholders' General Meeting which will validate the 2018 consolidated financial statements.

3. Multiannual equity-based compensation

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 the first managerial and technology experts lines of Atos, including the Chairman and CEO.

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.

In the context of the grant decision, the Board of Directors sets the percentage of acquired equity instruments (at least 15%) that the Chairman and CEO must remain owner for the duration of his duties. The Chairman and CEO is asked to acknowledge the prohibition to conclude any financial hedging instruments over the equity instruments being the subject of the award during the whole duration of his mandate.

After having consulted the Nomination and Remuneration Committee, the Board of Directors plans, for the 2018 grant of performance shares for the Chairman and CEO, to replicate the new structure of performance share plan approved by the Extraordinary General Meeting of July 24, 2017 for top managers of the Group, excluding the Chairman and CEO in order to enhance the alignment with the strategic plan while making the acquisition more demanding. Specifically, the 2018 grant of performance shares will be governed by the following features and conditions:

- A vesting period maintained at three (3) years from the grant date.
- Three (3) Internal Financial Performance Indicators and one (1) external performance condition, the achievement of which each and every year conditions the vesting of all (100%) of the equity instruments.
- In the event that: (i) the first two (2) years are validated, (ii) for the third year, only two (2) Internal Financial Performance Indicators are fulfilled, and (iii) the third Internal Financial Performance Indicator for this last year reaches at least 85% completion, the grant of equity instruments shall be reduced to 75% of the initially granted aggregate number.
- The partial or total vesting as described above remaining subject to the fulfillment of a supplementary external performance condition related to Corporate Social Responsibility for each of the three (3) years and the preservation of corporate officer status by the beneficiary during the vesting period, except in the event of death, disability or retirement.

The three (3) Internal Financial Performance Indicators will be directly connected to key success factors for the achievement of the Group's ambitions: (i) Revenue organic growth, and (ii) Operating Margin, and (iii) Operating margin conversion rate into Free Cash Flow.

Their target achievement levels will be set each year by the Board of Directors of the Company and shall be in line with the minimum financial levels to be achieved every year in order to be in line with the objectives of the three-year plan. These indicators shall be calculated on a consolidated basis, taking into account potential scope variations and changes in the foreign exchange rates.

The supplementary external performance condition will be validated if, and only if, the Company is part of the Dow Jones Sustainability Index (World or Europe) or is granted at least Ecovadis Silver rating for each of the 3-years of the plan.

These objectives are summarized in the following table:

Criteria	2018	2019	2020	Vesting
Revenue Organic Growth*	Target 2018	Target 2019	Target 2020	
Operating Margin (OM)	Target 2018	Target 2019	Target 2020	
Operating Margin conversion rate in Free Cash Flow	Target 2018	Target 2019	Target 2020	
DJSI (World or Europe) **Or Ecovadis (Silver)**	Achieved	Achieved	Achieved	
Test of each year validation	☑	☑	☑	100%
	☑	☑	☑[1]	75%
			Other cases	0%

* *A périmètre et taux de change constants.*

(1) au moins deux critères sur trois réalisés avec le troisième critère >85% de taux de réalisation.

4. 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 is valued at 6,354 euros for the year 2017 and no significant change in this total amount is expected for the year 2018.

5. Other compensation elements

As in the previous years, the Chairman and CEO has renounced to the Director's fees he is entitled to for the year 2018.

The Chairman and CEO does not receive exceptional compensation nor compensation elements or fringe benefits due by Atos SE or its affiliates related to his mandate. He 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. There is no other multiannual compensation than the one stated in paragraph 3 and there is no need to pay compensation or benefit due or likely to be due for taking office.

6. 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 shareholderson 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 shareholderson 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 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 2017, the Board of Directors, during its meeting on February 21, 2017, decided 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 26, 2016.

For the year 2018, the Board of Directors decided on February 20, 2018, 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 24, 2017 as described in the section G.3.2.2 of the Registration Document.

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.

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 Code (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.3.2.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

In compliance with article L.225-37-2 of the French Commercial Code (Code de Commerce), the principles and criteria for setting, allocating, and granting, the fixed, variable, long-term and exceptional elements making up the total compensation and fringe benefits of all kinds attributable to the Chairman and Chief Executive Officer by reason of his office, for the 2017 financial year and constituting the compensation policy applicable to him have been submitted to the shareholders' vote and adopted by the General Meeting of shareholders on May 24, 2017 under the 13th resolution.

Pursuant to article L.225-100 of the French Commercial Code (Code de Commerce), the amounts resulting from the implementation of these principles and criteria are submitted to the approval of the Shareholders' General Meeting which will validate the 2017 consolidated financial statements.

<table>
<tr><th>Compensation Components</th><th>Amounts</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>1 400 000 euros</td><td>The fixed compensation paid to the Chairman and CEO has been approved by the General Meeting of shareholders on May 24, 2017 under the 13th resolution.</td></tr>
<tr><td>Variable compensation</td><td>€ 1,840,410i.e. 111.5% of the annual target variable compensation</td><td>As a reminder, the nature and weighting of each indicator for the 2017 variable compensation 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%).
Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board during the meetings held on July 25, 2017 and February 20, 2018: for the first semester of 2017, the variable bonus of the Chairman and CEO, stood at € 1,024,980 (124.2% of the semester on-target bonus), and at € 815,430 (98.8% of the semester on-target bonus) for the second semester of 2017.
<table>
<tr><th></th><th>First-half of 2017</th><th></th><th>Second-half of 2017</th><th></th></tr>
<tr><th>Indicators</th><th>Weight</th><th>Payout*</th><th>Weight</th><th>Payout*</th></tr>
<tr><td>Group Operating Margin</td><td>40%</td><td>>100%</td><td>40%</td><td><100%</td></tr>
<tr><td>Group Free Cash Flow 1</td><td>30%</td><td>>100%</td><td>30%</td><td><100%</td></tr>
<tr><td>Group Organic Revenue Growth</td><td>30%</td><td>>100%</td><td>30%</td><td><100%</td></tr>
<tr><td>Payout in % of the semester on-target bonus</td><td></td><td>124,2%</td><td></td><td>98,8%</td></tr>
</table>
* On the basis of the elasticity curve capped at 130%.
1 before acquisitions/disposal and variation of equity and dividends.

Budget achievements are as follows:
<table>
<tr><th>Budget</th><th>2017</th></tr>
<tr><td>Group Operating Margin</td><td>102,8%</td></tr>
<tr><td>Group Free Cash Flow1</td><td>103,6%</td></tr>
<tr><td>Group Organic Revenue Growth</td><td>100,9%</td></tr>
</table>
Objectives which are set every semester on the basis of the Company's budget are in line with the financial guidance announced to the market at the beginning of the year.</td></tr>
<tr><td>Benefits in kind</td><td>6 354 euros</td><td>Thierry Breton, Chairman and CEO, has a company car with driver.</td></tr>
</table>

Compensation Components	Amounts	Comments
Multiannual equity-based compensation	No stock-option Grant ~ Grant of 38,738 Performance Shares Shares valuation € 2,876,186 Based on the fair value as determined according to IFRS 2 standard retained for the consolidated financial statements.	The Board of Directors decided, during its meeting held on July 24, 2017, and upon the recommendation of the Nomination and Remuneration Committee, to proceed to the allocation of a theorical maximum number of 43,000 performance shares to be issued in favor of the Chairman and Chief Executive Officer. Performance conditions to be achieved over the three years 2017, 2018 and 2019 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 26, 2016. As for the July 26, 2016 plan, the plan also provides for an external condition linked to the social and environmental performance of the Company. Additional requirements in respect of the achievement of financial objectives in connection with the 2017-2019 strategic plan and with regard to the social and environmental performance of the Company for maintaining a high level of recognition over the period have been introduced. Thus, performance conditions of the previous plans, to be fulfilled for each of the three years 2017, 2018, and 2019 are maintained but they now allow the beneficiary to acquire, assuming their achievement, a reduced number of shares corresponding to 70% of the number initially allocated, the remaining 30% being a variable component depending on the level of achievement of financial performance and social responsibility objectives. This allocation was decided further to its approval by the Combined General Meeting of May 24, 2017 under the thirteenth resolution ("Say on Pay ex ante") and pursuant to the authorization granted for thirty-eight months by the Combined General Meeting of May 26, 2016 (twentieth resolution). After having consulted the Nomination and Remuneration Committee, the Board of Directors decided to simplify the future performance shares awards to the Chairman and CEO by replicating the new plan structure approved at the specific shareholders' meeting convened on July 24, 2017, while strengthening the conditions demanded and enhancing its alignment with the strategic plan (see section G.3.2.1 3° - Multiannual equity-based compensation). The vesting of the performance shares allocated in 2017 is also subject to the achievement of the following internal and external performance conditions, appraised for each of the three years 2017, 2018, and 2019. **a. Allowing the vesting of 70% of the performance shares:** Internal performance conditions For each of the three years 2017, 2018, and 2019: • 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. • **Revenue growth** of the year in question is at least equal to 85% of the revenue growth rate set by the Board of Directors at the beginning of the year, in line with the Company's budget for the year. 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 2017, 2018, and 2019, the Atos Group must at least achieve the qualification of "GRI standards comprehensive" (highest ranking of the Global Reporting Initiative) or be part of the Dow Jones Sustainability Index (Europe or World). The condition is achieved as soon as this criterion is validated for at least two years over the 3-year period. **b. Allowing the vesting of the remaining 30% of the performance shares:** Assuming the achievement of the performance conditions stated above and the compliance with the employment condition, the additional 30% is subject to: (i) the effective performance of the Group over the 2017-2019 period as measured based on the average of annual achievement rates (weighting 40% Operating Margin, 30% Free Cash Flow and 30% Organic Growth) underlying the variable compensation of Group Managers (the "Average Group Multiplier"), including that due to the Chairman and Chief Executive Officer, as well as (ii) the fulfilment, over the whole period of the social responsibility condition as described above. Vesting criteria applicable to the remaining 30% of the grant (i.e. from 70% up to 100%) are determined as follows: Additional internal performance conditions for the vesting of 15% of performance shares A progressive vesting up to 15% of total number of granted shares is defined based on the achievement rate reflected by the Average Group Multiplier (AGM) over the years 2017, 2018 and 2019: – If Average Group Multiplier (AGM) is below 85%, there is no complementary vesting (0%); – If Average Group Multiplier (AGM) is in between 85% and 100%, the complementary vesting represents (AGM – 85%) performance shares, i.e. from 0 to 15% of performance shares; – If Average Group Multiplier is above 100% (over performance vs. budget objectives), 15% of performance shares are vested (ceiling). Additional requirement on external performance condition for the vesting of 15% of performance shares If the external performance condition stated above is met 3 years in a row over the 2017-2019 period then the condition is achieved and 15% of the initially granted shares are vested. Subject to the performance conditions and the preservation of corporate officer status by the beneficiary during the vesting period, except in the event of death, disability or retirement, being achieved, the performance shares granted will be acquired on July 31, 2020. The final number of vested shares will be capped at 38,738 shares. The beneficiary is required to remain owner of 15% of his acquired shares for the duration of his duties and cannot 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.
Other compensation elements	N/A	As a reminder, the Chairman and CEO does not receive exceptional compensation nor compensation elements or fringe benefits due by Atos SE or its affiliates related to his mandate. He 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. Moreover, the Chairman and CEO has declined to accept his Director's fees.

<table>
<tr><th>Compensation Components</th><th>Amounts</th><th>Comments</th></tr>
<tr><td>Defined Benefit Supplementary Pension scheme</td><td>Does not apply</td><td>
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.
This pension benefit that has been confirmed by the shareholders when they voted a specific resolution during the General Meeting held on December 30, 2016, is described in the section G.3.2.1 of the Registration Document.
On February 20, 2018, the Board of Directors verified the completion of the performance conditions for the year 2017, thus validating pension rights for the four quarters of the year 2017.
<table>
<tr><th>Group Operating Margin</th><th>2017</th></tr>
<tr><td>Budget achievement (%)</td><td>102.8%[1]</td></tr>
<tr><td>85% of budget or +10% vs previous year achieved</td><td>YES</td></tr>
<tr><td>Group Free Cash Flow</td><td>2017</td></tr>
<tr><td>Budget achievement (%)</td><td>103.6%[1]</td></tr>
<tr><td>85% of budget or +10% vs previous year achieved</td><td>YES</td></tr>
<tr><td>Group Organic Revenue Growth</td><td>2017</td></tr>
<tr><td>Budget achievement (%)</td><td>100.9%[1]</td></tr>
<tr><td>Group revenue growth objective</td><td>YES</td></tr>
<tr><td>Environmental and Social Responsibility[2]</td><td>2017</td></tr>
<tr><td>“Qualified “GRI standards comprehensive”” or, be part of the Dow Jones Sustainability Index (World or Europe)</td><td>YES</td></tr>
</table>
1 Targets adjusted to reflect actual 2017 exchange rates and Unify S&P integration.
2 In 2017 the Atos performance was recognized both in the Dow Jones Sustainability Index World and in the Dow Jones Sustainability Index Europe
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 € 638 thousand per annum. The pension supplement will be subject to the following social contributions payable exclusively by the beneficiary: CSG/CRDS (8.8%), Health Contribution (1%), CASA (0.3%) and a special contribution of up to 14%. In addition, the pension supplement will be subject to income tax. 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.
</td></tr>
</table>

G.3.2.3 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 Director, and to regularly report thereon.

The Board of Directors of Atos SE met on December 18, 2017 to perform the annual review of the implementation by the Company of these governance principles. 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 in its entirety on Atos' website.

G.3.2.4 Summary of the Chairman and CEO's compensation, due or paid by the Company and its subsidiaries – AMF Tables 1 and 2

AMF Table 1	2017 (in euros)	2016 (in euros)
Due remuneration for the relevant year	3,246,764	3,013,729
Value of options granted during the year	-	-
Value of Performance Shares granted during the year	2,876,186	2,456,445
TOTAL	**6,122,950**	**5,470,174**

On each date of grant, the fair value of performance shares granted is determined pursuant to IFRS 2 standard retained for the consolidated financial statements. Performance shares granted are valued based on this fair value. Thus, the value of performance shares granted as disclosed above is a historical value on the date of grant calculated for accounting purposes. This value does not represent a current market value nor the actual amounts that may be paid to the beneficiary if and when the performance shares are acquired.

	2017 (in euros)		2016 (in euros)	
AMF Table 2	**Due**	**Paid**	**Due**	**Paid**
Fixed remuneration	1,400,000	1,400,000	1,350,000	1,350,000
Variable remuneration	1,840,410	1,824,383	1,656,991	1,602,991
Exceptional remuneration	-	-	-	-
Atos SE Director's fees	-	-	-	-
Fringe benefits	6,354	6,354	6,738	6,738
TOTAL	**3,246,764**	**3,230,737**	**3,013,729**	**2,959,729**

Due remuneration reflects amounts due for the first and second semesters of the relevant year. Paid remuneration reflects amounts paid for the second semester of the previous year and the following first semester. As a reminder, pursuant to the provisions of the so-called "Sapin 2" law, the payment of the variable compensation due for the second semester 2017 is subject to the approval of the Shareholders' General Meeting which will validate the 2017 consolidated financial statements.

In 2016, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation at 127.1% for the first semester and 118.4% for the second semester. For 2016, the annual variable compensation due to the Chairman and CEO corresponds to 122.7% of his target annual variable compensation.

In 2017, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation for the first and the second semester at 124.2% and 98.8% respectively. For 2017, the annual variable compensation due to the Chairman and CEO corresponds to 111.5% of his target annual variable compensation.

See in paragraph G.3.3.2 the achievement rates allowing for the validation of performance conditions related to the performance share plans in the course of being acquired or acquired during the year 2017.

G.3.2.5 AMF Table 11

Chairman and Chief Executive Officer	Employment contract	Supplementary Pension plan	Payments or Benefits effectively or potentially due in the event of termination or change of position	Non-Compete Clause payment
Thierry Breton Chairman of the Management Directory November 16, 2008 - February 10, 2009 Chief Executive Officer February 10, 2009 to date	NO	YES	NO	NO

G.3.3 Performance share plans and stock subscription or purchase option plans

[GRI 102-35]

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 and technology experts lines of Atos. The Atos Board of Directors decided to pursue this approach in the context of the 2017-2019 strategic plan.

History of grants of performance shares and stock subscription or purchase options are detailed in the following paragraphs.

G.3.3.1 Past grants of Performance Shares – AMF Table 10

The outstanding 2,799,220 rights to performance shares represented 2.7% of Atos SE's share capital as of December 31, 2017.

	Plan dated 07/24/2013	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016	Plan dated 07/24/2017	Plan dated 07/25/2017
Combined General Meeting authorization date	5/30/2012	5/29/2013	5/27/2014	5/26/2016	5/26/2016	7/24/2017
Board of Directors meeting date	7/24/2013	7/28/2014	7/28/2015	7/26/2016	7/24/2017	7/25/2017
Number of beneficiaries	**705**	**684**	**851**	**983**	**1**	**1,088**
France Plan	194	169	241			
International Plan	511	515	610			
Total number of granted performance shares	**723,335**	**691,000**	**868,000**	**947,885**	**43,000**	**777,910**
Of which to the executive Director	***45,000***	***46,000***	***55,000***	***56,500***	***43,000***	**-**
France Plan	332,580	301,195	393,400			
International Plan	390,755	389,805	474,600			
Vesting date						
France Plan	7/24/2015	7/28/2016	1/2/2018	7/26/2019	7/31/2020	7/31/2020
International Plan	7/24/2017	7/28/2018	1/2/2020			
End of holding period	7/24/2017	7/28/2018	1/2/2020	7/26/2019	7/31/2020	7/31/2020
Performance conditions	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes	Yes[1]
Achievement of performance conditions	Yes	Yes	Yes			
Number of vested shares as at Dec. 31, 2017	**618,625**	**280,645**	**-**	**-**	**-**	**-**
France Plan	321,190	280,195	-			
International Plan	297,435	450[2]	-			
Number of shares cancelled as at Dec. 31, 2017	**104,710**	**94,005**	**102,000**	**47,035**	**-**	**4,890**
France Plan	13,770	17,750	30,140			
International Plan	90,940	76,255	71,860			
International Mobility movements	**-**	**-**	**-**			
France Plan	2,380	-3,250	-42,200			
International Plan	-2,380	3,250	42,200			
Outstanding performance shares as at Dec. 31, 2017	**-**	**316,350**	**766,000**	**900,850**	**43,000**	**773,020**
France Plan	-	-	321,060			
International Plan	-	316,350	444,940			

1 Performance conditions of the various plans are summarized hereafter.
2 Early-vested shares following the death of a grantee.

Conditions as from the plan dated 07/26/2016 are in all respects identical for France and International plans (same acquisition period).

Performance conditions	Plan dated 07/24/2013	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016	Plan dated 07/25/2017
Group free cash flow before dividend and acquisition/sales results of the year in question is at least equal to:	(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.				In line with the annual financial objectives disclosed by the Company at the beginning of year.
And					
Group operating margin of the year in question is at least equal to:	(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.				In line with the annual financial objectives disclosed by the Company at the beginning of year.
And					
Revenue growth of the year in question is at least equal to:		(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.			In line with the annual financial objectives disclosed by the Company at the beginning of year.
And					
External condition linked to the social and environmental performance	For each year in question, Atos Group must at least achieve the qualification "GRI standards comprehensive" or be a member of the Dow Jones Sustainability Index (Europe or World).				Atos must be a member of the Dow Jones Sustainability Index (Europe or World) or be granted at least Ecovadis Silver rating.
Years in question	2013 and 2014	2014 and 2015	2015, 2016 and 2017*	2016, 2017 and 2018	2017, 2018 and 2019

* *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 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.
Plan dated 07/25/2017	100% if all performance conditions are achieved for each year. 75% in the event that all performance conditions are achieved for the first two years and for the third year, one of the internal financial performance indicators reaches at least 85% completion, without being achieved, while all other performance indicators (internal and external) are achieved.

Performance conditions for the plan dated July 24, 2017 are detailed in section G.3.2.2 "Multiannual equity-based compensation".

G.3.3.2 Achievement of the performance conditions related to the performance share plans in the course of being acquired or acquired during the year

The performance conditions related to the performance share plan dated July 28, 2015 were achieved for each of the years 2015 and 2016, and for the first semester 2017. The acquisition of the performance shares in respect of this plan remains subject to the completion of the presence condition on January 2, 2020 for beneficiaries who are employees of companies of the Atos Group with registered office outside France.

Group free cash flow	2017 (first semester)	2016	2015
Budget achievement *(%)*	**109.8%**	**104.8%**	**112.2%**
Criterion completion	YES	YES	YES
Group operating margin	**2017 (first semester)**	**2016**	**2015**
Budget achievement *(%)*	**105.3%**	**102.4%**	**100.5%**
Criterion completion	YES	YES	YES
Group revenue growth	**2017 (first semester)**	**2016**	**2015**
Budget achievement *(%)*	**100.6%**	**100.5%**	**100.0%**
Criterion completion	YES	YES	YES
External performance condition linked to the social and environmental performance	**2017 (first semester)**	**2016**	**2015**
Criterion completion*	YES	YES	YES
Achievement of performance conditions	**YES**		

* *In 2017, for the sixth consecutive year, Atos has been selected as an index component of the Dow Jones Sustainability Indices (DJSI) Europe and World. This recognition follows a series of awards granted to Atos including the highest ranking of the Global Reporting Initiative - the "GRI standards comprehensive" option - for its Corporate Responsibility Integrated Reports.*

The performance conditions related to the performance share plan dated July 26, 2016 were achieved for each of the years 2016 and 2017. The acquisition of the performance shares in respect of this plan remains subject to the achievement of the performance conditions for the year 2018 as well as the completion of the presence condition at the acquisition date, on July 26, 2019.

Group free cash flow	2017	2016
Budget achievement *(%)*	**103.6%**	**104.8%**
Criterion completion	YES	YES
Group operating margin	**2017**	**2016**
Budget achievement *(%)*	**102.8%**	**102.4%**
Criterion completion	YES	YES
Group revenue growth	**2017**	**2016**
Budget achievement *(%)*	**100.9%**	**100.5%**
Criterion completion	YES	YES
External performance condition linked to the social and environmental performance	**2017**	**2016**
Criterion completion	YES	YES
Achievement of performance conditions	**Subject to 2018 achievement**	

G.3.3.3 Performance shares granted to or became available for the Chairman and CEO during the year – AMF Tables 6 and 7

The below table shows the performance shares granted during the year to the Chairman and CEO and the performance shares that have become acquired. Performance conditions related to the various plans stated hereafter are summarized in the "Past grants of performance shares" or in the G.3.2.2 ("Multiannual equity-based compensation") sections.

AMF Table 6	Plan date	Number of shares	Acquisition date	Availability date*	Share valuation (in €)**
Chairman and CEO	July 28, 2015	55,000	January 2, 2018	January 2, 2020	2,142,282
	July 24, 2017	43,000 [1]	July 31, 2020	July 31, 2020	2,876,186

* *The Chairman and CEO is subject to a conservation obligation for the duration of his mandate of 15% of the performance shares vested.*

** *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.*

1 *The final number of vested shares will be capped at 38,738 shares.*

During 2017, the performance shares granted on July 24, 2013 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.

AMF Table 7	Plan Date	Number of shares available during the financial year	Vesting Date	Availability Date
Chairman and CEO	July 24, 2013	45,000	July 24, 2015	July 24, 2017

The Chairman and CEO is subject to a conservation obligation for the duration of his mandate of 15% of the shares vested.

G.3.3.4 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 share-holders' 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 beneficia-ries	Options exercised	Options cancelled or expired	Situation at Dec. 31, 2017	Value of outstanding options (in € million)
06/04/04	12/19/06	12/19/09	12/19/16	43.16	15,100	0	24				
06/04/04	12/19/06	12/19/10	12/19/16	43.16	4,050	0	6	15,188	3,962	0	0.0
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	452,483	3,334	3,531	0.1
05/23/07	12/23/08	04/01/11	03/31/18	22.00	459,326	233,333	24	435,530	6,666	17,130	0.4
05/23/07	12/23/08	04/01/12	03/31/18	26.40	459,326	233,333	24	449,327	9,999	0	0.0
05/23/07	03/26/09	07/01/10	06/30/18	20.64	611,714	0	74	560,630	43,336	7,748	0.2
05/23/07	03/26/09	07/01/11	06/30/18	24.57	611,643	0	74	479,148	78,330	54,165	1.3
05/23/07	03/26/09	07/01/12	06/30/18	29.49	611,643	0	74	455,467	101,661	54,515	1.6
05/26/09	07/03/09	07/01/10	06/30/18	25.00	481,414	0	438	391,183	47,530	42,701	1.1
05/26/09	07/03/09	07/01/11	06/30/18	30.00	481,108	0	438	355,058	91,146	34,904	1.0
05/26/09	07/03/09	07/01/12	06/30/18	35.00	480,978	0	438	296,027	110,617	74,334	2.6
05/26/09	09/04/09	07/01/10	06/30/18	34.28	86,347	0	24	81,265	3,502	1,580	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	54,159	7,829	24,331	1.2
05/26/09	12/31/10	07/01/11	06/30/19	40.41	124,842	0	18	118,841	0	6,001	0.2
05/26/09	12/31/10	07/01/12	06/30/19	48.11	124,830	0	18	109,697	3,333	11,800	0.6
05/26/09	12/31/10	07/01/13	06/30/19	57.74	124,828	0	18	103,496	6,666	14,666	0.8
TOTAL					**5,531,650**	**700,000**		**4,460,198**	**664,745**	**406,707**	**13.3**

* *Current members of the Board of Directors.*

G.3.3.5 Stock options granted to or exercised by the Chairman and CEO during the year – AMF Tables 4 and 5

During 2017, the 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 since January 1, 2016.

G.3.3.6 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 2017 – 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)	151,687	€ 32.26	Plans granted: December 23, 2008, March 26, 2009, July 3, 2009, September 4, 2009 and December 31, 2010

G.4 Annual General Meeting of May 24, 2018

G.4.1 Resolutions submitted to the Annual General Meeting

Resolutions to be 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, 2018. These notices will be posted on the Atos Group website ("Investors" section) as required by applicable laws and regulations.

G.4.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

The elements of compensation due or awarded at the end of the 2017 financial year to the Executive Director, which will be submitted to the shareholders' vote during the Annual General Meeting of May 24, 2018, are presented in section G.3.2.2 of this Registration Document.

G.4.3 Principles and criteria for setting, allocating and granting the elements of compensation of the Company's Executive Director, in respect of the 2018 year, submitted to the shareholders' vote

The principles and criteria for setting, allocating and granting the elements of compensation of the Company's Executive Director, in respect of the year 2018, which will be submitted to the shareholders' vote during the Annual General Meeting of May 24, 2018, are presented in section G.3.2.1 of this Registration Document.

G.4.4 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 Director and senior managers during 2017:

Name	Number of shares purchased	Number of shares sold	Date	Purchase price / sale price *(in €)*
Thierry Breton		59,000	02/23/2017	108.0000
		63,811	11/16/2017	126.2478
Charles Dehelly		3,196	02/27/2017	111.8211
		3,196	02/27/2017	111.9994
		3,196	02/27/2017	111.8751
		5,441	02/27/2017	112.0907
		5,441	02/27/2017	112.0375
		5,441	02/27/2017	112.0375
		16,250	03/10/2017	112.2256
		4,780	03/23/2017	111.1208
		1,298	03/23/2017	111.0000
Jean Fleming	600		07/24/2017	0.0000[1]
		282	07/24/2017	123.0339[2]
Eric Grall	12,600		07/24/2017	0.0000[1]
		5,100	08/01/2017	128.0497
		7,500	08/02/2017	129.3672
Gilles Grapinet	6,800		03/14/2017	18.4000
	6,800		03/14/2017	22.0000
	6,800		03/14/2017	26.4000
		6,800	03/14/2017	111.0000
		6,800	03/14/2017	111.0000
		6,800	03/14/2017	111.0000
	2,506		03/15/2017	18.4000
	2,506		03/15/2017	22.0000
	2,505		03/15/2017	26.4000
		2,506	03/15/2017	111.0000
		2,506	03/15/2017	111.0000
		2,505	03/15/2017	111.0000
	16,930		11/17/2017	26.4000[3]
Michel-Alain Proch		18,300	02/22/2017	107.2992
		20,000	08/07/2017	128.0520

1 *Vesting of free performance shares pursuant to a plan set up by the Company (International Plan of July 24, 2013).*
2 *Disposal of shares initiated by the Company pursuant the performance share plan rules in order to finance the taxes owed by the beneficiary upon the vesting of the performance shares at the end of the plan.*
3 *Exercise of stock-options under the registered form.*

G.5 Code and charts

[GRI 102-12] [GRI 102-16]

G.5.1 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.5.2 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.4.2 Ethics and Compliance Program.

G.5.2.1 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.4.2 Ethics and Compliance Program.

G.5.2.2 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, see sections D.4.2 Ethics and Compliance Program.

G.5.2.3 Conflicts of Interest

[GRI 102-25]

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.5.2.4 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 applicable laws and rules defined by the Group: reporting must be of high quality, reliable and relevant, translating exactly the activities of the Company.

G.5.2.5 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.5.2.6 Alert system – employees' rights and duties

Atos has established for any employee who is convinced 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 organized 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.

For more information on Group whistleblowing system, please refer to Section D.4.2 Ethics and Compliance Program.

G.5.3 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.5.4 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 a prevention guide.

G.5.4.1 Insider trading

The undue use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to, disciplinary, regulatory (***Autorité des Marchés Financiers***, the French Financial Market Authority) or judicial proceedings that could lead to a sanction from the stock exchange authority or from a criminal court. 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.

G.5.4.2 Dealing during closed periods

Employees who are likely to have access on a regular or occasional 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 30 days preceding the publication of Atos SE's half year financial statements, and four weeks prior to the publication of Atos SE's financial information concerning the first, second, and third quarters.

G.5.4.3 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 holding 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, July 26, 2016, and July 24, 2017 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 Common stock evolution and performance

G.6.1 Basic data

G.6.1.1 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 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.6.1.2 Free Float

The free-float of the Group shares excludes the stake held by the reference shareholder, Siemens AG, representing 11.8% of the share capital, which it committed to keep until September 30, 2020 as explained in section G.6.7.5 Shareholders' agreements.

Stakes owned by the employees and the management as well as treasury shares, are also excluded from the free float.

As of December 31, 2017	Shares	% of share capital	% of voting rights
Siemens	12,483,153	11.8%	11.9%
Board of Directors	546,630	0.5%	0.5%
Employees	1,182,158	1.1%	1.1%
Treasury stock	332,478	0.3%	-
Free float	90,900,930	86.3%	86.5%
TOTAL	**105,445,349**	**100.0%**	**100.0%**

G.6.2 Stock ownership

Principal changes in the ownership of the Company's shares in the past three years have been as follows:

	December 31,2017		December 31,2016		December 31,2015	
	Shares	%	Shares	%	Shares	%
Siemens	12,483,153	11,8%	12,483,153	11,9%	12,483,153	12,1%
BlackRock Inc.	5,339,057[3]	5,1%	-	-	5,251 419[1]	5,1%
Board of Direcors	546,630	0,5%	668,316	0,6%	652,134	0,6%
Employees	1,182,158	1,1%	1,489,140	1,4%	2,257,667	2,2%
Treasury Stocks	332,478	0,3%	196,435[2]	0,2%	694,584	0,7%
Others	85,561,883	81 ,1%	90,071,635	85,9%	82,180,285	79,4%
TOTAL	**105,445,349**	**100,0%**	**104,908,679**	**100,0%**	**103,519,242**	**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*
3 *On the basis of the threshold crossing statement made on December 15, 2017*

The Company's shares which are owned by employees are mainly managed by Group mutual funds (FCPE). The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As at December 31, 2017, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.1% of the share capital.

As at December 31, 2017, save for BlackRock Inc, no other shareholder had announced holding more than 5% of the Company's share capital.

The treasury stock evolution is described below in section G.6.7.6 Treasury stock and liquidity contract.

The threshold crossings which were disclosed in 2017 are described in section G.6.7.3 Threshold crossings.

G.6.3 Dividend policy

[GRI 201-1]

During its meeting held on February 20, 2018, the Board of Directors decided to propose to the next Annual General Meeting of Shareholders a dividend in 2018 on the 2017 results of € 1.70 per share with the option for a payment in Atos SE shares.

During the past four fiscal periods, Atos SE paid the following dividends:

Fiscal period	Dividend paid per share (*in* €)
2016	1.60
2015	1.10
2014	0.80
2013	0.70

G.6.4 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.6.5 Financial calendar

April 25, 2018	First quarter 2018 revenue
May 24, 2018	Annual General Meeting
July 25, 2018	First half 2018 results
Octobre 23, 2018	Third quarter 2018 revenue

G.6.6 Contacts

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G.6.7 Common stock

G.6.7.1 At December 31, 2017

As at December 31, 2017, the Company's issued common stock amounted to € 105.4 million, divided into 105,445,349 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2016, the share capital was increased by the issuance of 536,670 new shares, split as follows:

- 241,705 new shares resulting from the exercise of stock options;
- 294,965 new shares resulting from an increase in the share capital reserved to employees, under the 19th resolution of the Combined General Meeting of May 26, 2016.

G.6.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock (in € million)	Additional paid in capital (in € million)	New common stock (in € million)
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
	Exercice of stock options	12/31/2016	33,142	104,908,679	0.0	1.1	104.9
2017	Capital increase reserved to employees[3]	02/17/2017	294,965	105,203,644	0.3	22.1	105.2
	Exercise of stock options	04/01/2017	107,922	105,311,566	0.1	3.4	105.3
	Exercise of stock options	06/30/2017	57,402	105,368,968	0.0	1.8	105.3
	Exercise of stock options	09/30/2017	14,876	105,383,844	0.0	0.4	105.3
	Exercise of stock options	12/31/2017	61,505	105,445,349	0.1	1.8	105.4

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.*
3 *Under the 19th resolution of the Combined General Meeting of May 26, 2016.*

A total of 241,705 stock options were exercised during the 2017, representing 37.26% of the outstanding number of stock options as at December 31, 2016.

G.6.7.3 Threshold crossings

During 2017, the Group was informed of the following threshold crossing:

BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upward on December 14, 2017 (following an acquisition of shares on the market and the increase in the number of shares held as collateral) the statutory thresholds of 5% of the share capital and voting rights. On December 14, 2017, BlackRock, Inc. declared holding 5.07% 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	12/15/2017	12/14/2017	5,339,057 [3]	5.07%	5.07%

1 *On the date of the threshold crossing.*
2 *Including treasury shares on that date pursuant to article 223-11 I. al. 2 of the Réglement Général de l'Autorité des Marchés Financiers (French Financial Market Authority General Regulations).*
3 *Including (i) 6 Atos SE shares under ADR form, (ii) 396,922 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, and (iii) 473,908 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 709,350 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 L.233-7 of the Commercial Code, in 2017.

G.6.7.4 Voting rights

Voting rights are in the same proportion as shares held except for treasury shares which do not carry any voting right. No shares carry double voting rights.

G.6.7.5 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.

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.

The Group's shares which are owned by employees are mainly managed by Group mutual funds (FCPE). The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As per the rules of the Group mutual fund (FCPE) Atos Stock Plan, the Supervisory Board decides on the contribution of shares in case of public offer (purchase or exchange). The Supervisory Board decides on any merger, spin-off and liquidation of any compartment of the fund and approves any modification to the rules of the fund. As at December 31, 2017, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.1% of the share capital.

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.6.7.6 Treasury stock and liquidity contract

Treasury Stock

As at December 31, 2017, the Company owned 332,478 Atos SE shares which amounted to 0.3% of the share capital with a portfolio value of € 40,346,205,30, based on December 31, 2017 market price, and with book value of € 42,869,515.63. 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 or share purchase plans.

The Company proceeded to the following purchases of its own shares under the share buyback program allowed under the 14th resolution of the Combined General Meeting of May 24, 2017 pursuant to a mandate entrusted with an independent Business lines de Worldline provider (i.e. apart from the liquidity contract):

- from June 30, 2017 to July 4, 2017: 143,000 shares;
- from October 25, 2017 to November 20, 2017: 325,000 shares;

The Company proceeded to the following transfers of treasury shares in 2017;

- 7,357 shares to beneficiaries of LTI (Long Term Incentives) plans;
- 17,015 shares in connection with the vesting of performance shares pursuant to the Xerox ITO non qualified plan dated July 1, 2015;
- 295,465 shares in connection with the vesting of performance shares granted pursuant to the plan dated July 24, 2013.

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. An additional cash contribution of € 10,000,000 was made on July 5, 2017.

The transactions carried out in 2017 under the liquidity contract are as follows:

Cumulated gross flows as at December 31, 2017	Cumulated Purchases	Cumulated Sales
Number of Shares	592,060	592,060
Average Sale/Purchase price	124.4847	124.8179
Total Amount of Purchases/Sales	73,702,426.66	73,899,707.76

Legal Framework

The 14th resolution of the Combined General Meeting of May 24, 2017, 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 buyback program being:

- 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;

- to keep them 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; or
- to cancel them as a whole or in part through a reduction of the share capital pursuant to the 15th resolution of the Combined General Meeting held on May 24, 2017.

The maximum purchase price per share may not exceed € 170 (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 shares.

As a result, the maximum amount of funds assigned to the buyback program amounts to € 1,783,447,543 as calculated on the basis of the share capital as at December 31, 2016, 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 24, 2017.

Description of the share buyback program submitted to approval of the General Meeting of May 24, 2018

In connection with the share buyback program (and within the limit of 10% of the share capital), it is proposed to renew, during the General Meeting of May 24, 2018, the authorization to repurchase shares which was granted during the General Meeting of May 24, 2017, for 18 months, and which will expire on November 24, 2018.

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 buyback program by the Company which will be subject to authorization by the Combined General Meeting of shareholders of May 24, 2018.

The aims of this program are:

- to ensure liquidity and an active market of the Company's share through an investment services 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;
- 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; or
- 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, subject to the limits authorized by 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 tender offering or by block purchases or sales (with no limit on the portion of the share buyback 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 € 190 (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 10,544,534 shares as calculated on the basis of the share capital as at December 31, 2017. The maximum amount of the funds dedicated to the share buyback program is € 2,003,461,460, as calculated on the basis of the share capital on December 31, 2017. 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, 2018, this program will be in force for a maximum duration of 18 months, i.e. until November 24, 2019.

G.6.7.7 Potential common stock

Potential dilution

Based on 105,445,349 outstanding shares as of December 31, 2017, the share capital of the Group could be increased by 3,205,927 new shares, representing 3.04% 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, 2017	December 31, 2016	Change	% dilution
Number of shares outstanding	**105,445,349**	**104,908,679**	**536,670**	
From stock subscription options	406,707	648,629	-241,922	0.39%
From performance shares	2,799,220	2,479,645	319,575	2.65%
Potential dilution	**3,205,927**	**3,128,274**	**77,653**	**3.04%**
TOTAL POTENTIAL COMMON STOCK	**108,651,276**	**108,036,953**	**614,323**	

On the total of 406,707 of stock options, no option had a price of exercise higher than € 121.35 (opening stock price as of December 31, 2017).

Stock options evolution

Number of stock subscription options at December 31, 2016	**648,629**
Stock subscription options granted in 2017	-
Stock subscription options exercised in 2017	241,705
Stock subscription canceled or forfeited in 2017	217
Number of stock subscription options at December 31, 2017	**406,707**

As of December, 2017, 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 Meetings of May 26, 2016, May 24, 2017 and July 24, 2017, the following authorizations to modify the share capital and to issue shares and other securities granted by the General Meeting to the Board of Directors are in force as of December 31, 2017:

Authorization	**Authorization amount** *(par value)*	**Use of the authorizations** *(par value)*	**Unused balance** *(par value)*	**Authorization expiration date**
EGM July 24, 2017 1st resolution Authorization to allot free shares to employees and executive officers	948,320	773,020[4]	175,300	09/24/2020 (38 months)
EGM May 24, 2017 14th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	468,000	9.55%	11/24/2018 (18 months)
EGM May 24, 2017 15th resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	-	10%	11/24/2018 (18 months)
EGM May 24, 2017 16th resolution Capital increase reserved to employees[1]	2,106,933	-	2,106,933	07/24/2019 (26 months)
EGM May 26, 2016 13th resolution Share capital increase with preferential subscription right	31,146,128	-	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	-	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	-	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	-	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	-	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	-	3,234 million	07/26/2018 (26 months)

1 *Any share capital increase pursuant to the 14th, 15th, 16th, 17th resolutions of the Combined General Meeting of May 26, 2016 and to the 16th resolution of the Combined General Meeting of May 24, 2017 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.*

4 *Initial grant of 777,910 performance shares on July 25, 2017. This number includes 4,890 performance shares cancelled as of December 31, 2017.*

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 32,094,449.41, representing 30.46% of the share capital on December 31, 2017.

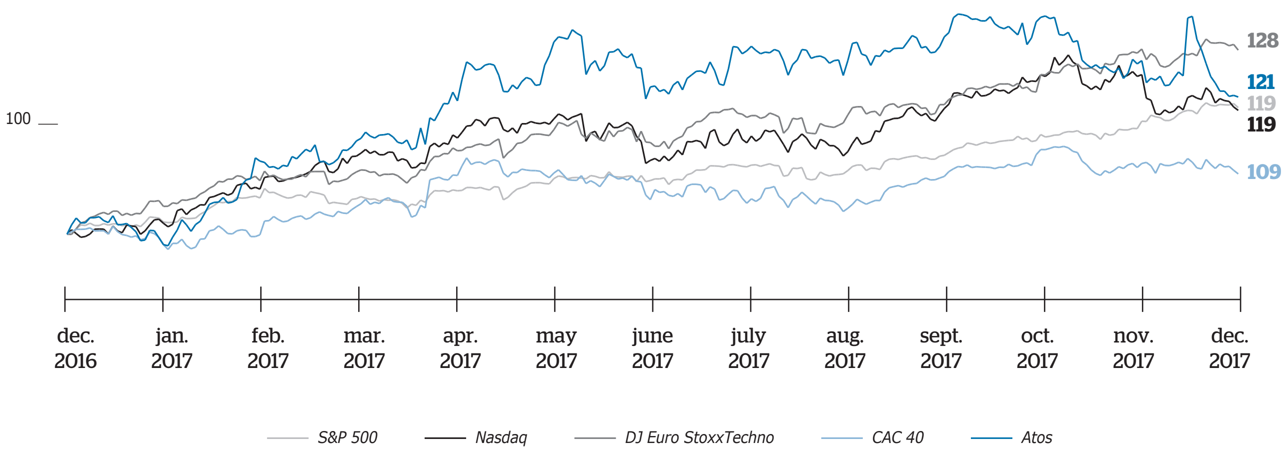
G.6.8 Share trading performance

G.6.8.1 Stock market overview

Atos' share price finished 2017 up +21% at € 121.35, outperforming the French reference Index CAC 40 (9%) and above its European peers in the technological sector DJ EuroStoxxTechno (+19%). In the US, market performance was also below with for example the S&P. 500 down (+19%) and below the Nasdaq up (+28%).

Atos market capitalization reached €12,796 million at the end of 2017.

ATOS' SHARE PERFORMANCE IN COMPARISON WITH INDICES (BASE 100 AT DECEMBER 31, 2016)



G.6.8.2 Key figures

	2017	2016	2015	2014	2013
Highest	135.40	101.30	80.00	71.50	67.78
Lowest (in €)	97.94	62.32	61.41	50.92	49.81
Closing as of 30/12 *(in €)*	121.35	100.25	77.45	66.3	65.79
Average daily volume processed on Euronext platform *(in number of shares)*	276,651	326,349	442,480	309,968	347,532
Free-float	86.20%	85.86%	79.39%	73.47%	75.89%
Market capitalization as of 31/12 *(in € million)*	12,796	10,517	8,018	6,718	6,458
Enterprise Value as of 31/12* (in € million)	12,488	10,036	7,425	5,729	5,553
EV/revenue	1.0	0.9	0.7	0.6	0.6
EV/OMDA	8	7	6	6	6
EV/OM	10	9	8	8	9
P/E (year-end stock price ÷ normalized basic EPS)	14.7	13.3	13.0	15.0	13.9

* *Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).*

G.6.8.3 Market capitalization

Based on a closing share price of € 121.35 on December 31, 2017 and 105,445,349 shares in issue, the market capitalization of the Group at December 31, 2017 was € 12,796 million compared to € 10,517 million at the end of December 2016.

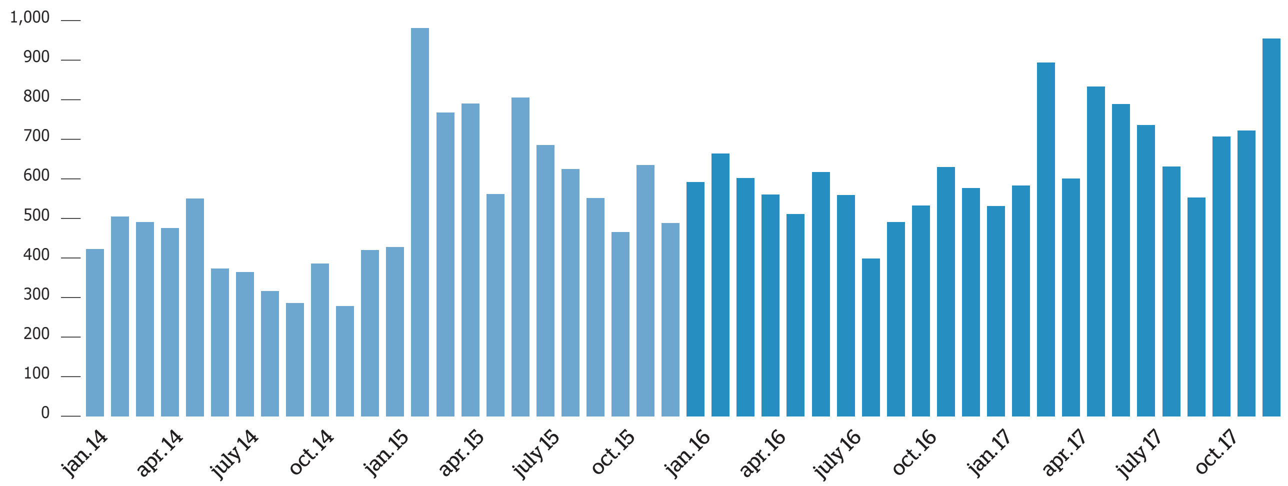
In terms of market capitalization as of December 31, 2017, Atos was ranked 34th (vs. 46rd as of December 31, 2016) within the CAC 40 index, which includes the largest companies by market capitalization on the Paris exchange.

G.6.8.4 Traded volumes

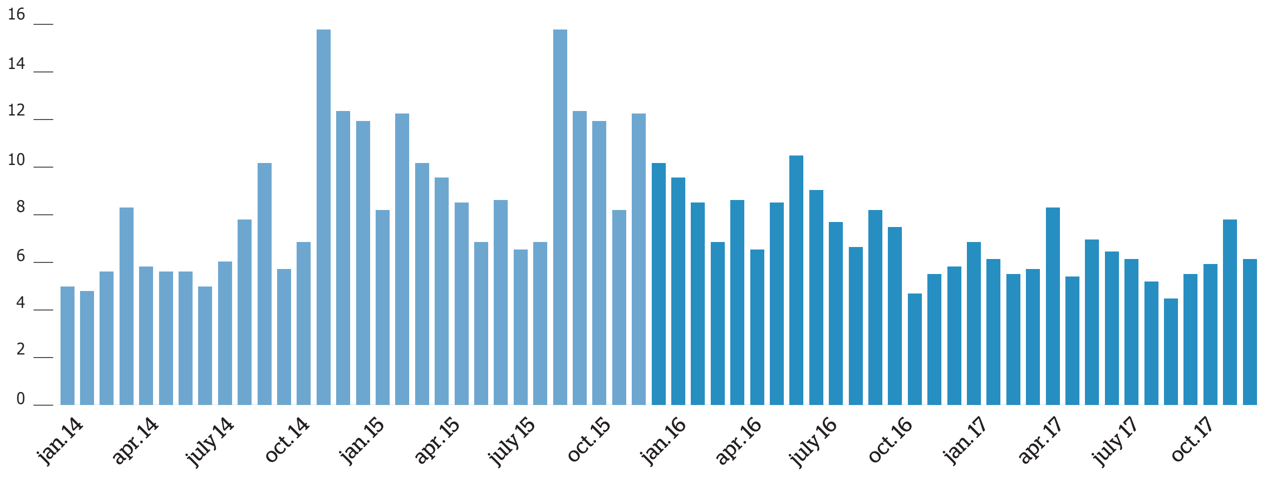
	Trading Volume (Euronext)	
	(in thousands of shares)	*(in € million)*
1st Quarter 2017	18,783	2,011,328
2nd Quarter 2017	18,065	2,225,554
3rd Quarter 2017	15,134	1,923,291
4th Quarter 2017	18,563	2,385,467
TOTAL	**70,546**	**8,546,640**

In 2017, the average daily number of shares traded reached 277 thousand on Euronext platforms, compared to 327 thousand in 2016. Regarding trading volumes on Atos SE shares, Euronext platform represented 34% of the total 2017 volumes, compared to 31% in 2016.

MONTHLY TRADING VOLUME (MILLION EUROS)



MONTHLY TRADING VOLUME (MILLIONS OF SHARES)



G.6.8.5 2017 and subsequent key trading dates

January

Atos announced on **January 2**, 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

On **February 22**, 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%.

March

On **March 9**, the Euronext Scientific Board on Indices announced its decision to include Atos in the CAC 40 index, the primary index of the Paris stock exchange, where the Group is listed. This decision took effect as from the **March 20,** market trading session. Inclusion in the index reflected Atos' outstanding performance and the deep transformation made within the Group over recent years under the leadership of Thierry Breton. It also reflected the investor confidence in Atos' growth strategy based on its unique positioning in digital transformation. This decision reflected the positive evolution of Atos' stock with regard to market capitalization and trading volumes while further improving visibility and liquidity.

On **March 27**, Atos, a global leader in digital transformation, is ranked at the top of the CAC 40 Governance Index, a new corporate governance index based on the CAC 40, developed by Euronext together with Corporate Social Responsibility (CSR) rating agency Vigeo Eiris.

April

On **April 24**, Atos announced the revenue of its first quarter of 2017, a strong start of the year. Q1 2017 revenue (including Unify S&P as of January 1, 2017) was € 3,111 million, up +2.0% organically and +12% at constant exchange rates. Order entry was € 3,035 million leading to a book to bill ratio of 98%.

May

Atos SE held on **May 24**, its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company. The Group presented record results performed in 2016, for revenue growth, order entries, operational profitability, net result and free cash flow. The General Meeting massively approved the annual and consolidated accounts for the financial year ending December 31, 2016 and the 2016 dividend payment of € 1.60 per share, up over 45% compared to last year.

On **May 31**, Atos published its 2016 Corporate Responsibility Integrated report for the third consecutive year, in accordance with the most demanding recommendations from the Global Reporting Initiative G4 comprehensive option and the International Integrated Reporting Framework. The Global Reporting Initiative (GRI) is an international independent standards organization widely used for its sustainability reporting guidelines. Since 2014 Atos has successfully completed the GRI Content Index Service in accordance with the G4 comprehensive option. This ongoing commitment demonstrates Atos' world-class performance in corporate responsibility and recognizes Atos as a trusted business partner and as a responsible employer.

July

In accordance with what was announced at the Annual General Meeting on May 24, 2017, Atos SE held on **July 24**, an Extraordinary General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer of the Company, in order to decide on a simplified 2017 performance share plan. The General Meeting approved the resolution related to this plan with a very significant score of 96.95%.

On **July 26**, Atos announced its financial results for the first half of 2017. Atos's technology leap marks the strongest H1 ever.Revenue was € 6,311 million, up +11.6% at constant exchange rates and +2.2% organically. The Group reached +2.4% organic growth in the second quarter of 2017, strengthening the positive trend already performed in the first quarter. All the Divisions contributed to revenue organic growth thanks to a strong commercial momentum and to the investment strategy in innovation and technology. Operating margin was € 538 million, representing 8.5% of revenue, an improvement of +190 basis points fueled by Infrastructure & Data Management (+240 basis points), Business & Platform Solutions (+120 basis points), and Worldline (+240 basis points). Free cash flow totaled € 242 million during the first half of 2017, +35% compared to H1 2016 free cash flow. Further to free cash flow generation, dividend paid on 2016 results, capital increase and share by back, Group net cash position was € 342 million at the end of June 2017.

September

On **September 27**, Atos announced that its subsidiary Worldline had achieved the completion of the agreement with First Data Corporation (NYSE: FDC) announced on July 25th, 2017, for the acquisition of 100% of the share capital of First Data's fully owned subsidiaries in Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c.€ 73 million, financed by available cash. Having generated revenue of c. € 23 million in 2016 and presenting a strong financial profile with OMDA margin materially above Worldline's OMDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services. Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries and significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

October

Atos announced on **October 2** its project to acquire Siemens Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider, headquartered in Vienna. With its highly skilled engineers and a total headcount of approximately 800 staff, CVC delivers software based solutions in the fields of communication networks, service and customer management, public safety and security, multimedia infotainment, as well as space technology. CVC was initially an internal innovative R&D and solutions partner for multiple Siemens Business Units (BUs). In 2016, Siemens completed its carve out as an independent Siemens BU with it's own IP resources and an external customer strategy.

On **October 3**, Atos announced that its subsidiary Worldline entered into a definitive agreement to acquire 100 percent of the share capital of one of the fastest growing payment platforms in India – MRL PosNet, a technology-led, integrated merchant acquiring solutions provider, for a consideration up to c.€ 89 million, representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline. Founded in 2008 and headquartered in Chennai, India, MRL PosNet employs approximately 140 highly skilled engineers in Payment in India. Operating an innovative and state-of-the-art terminal management platform, enabling very cost efficient deployment and management of new terminals, MRL PosNet currently processes payment transactions on behalf of 18 Indian banks, through the management of c.100,000 payment terminals.

On **October 4**, Atos announced that it has closed the acquisition of the following healthcare consulting companies: Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting and Conduent's Breakaway Group. Following on from the acquisition of Anthelio Healthcare Solutions in 2016, these acquisitions will allow Atos to play a leading role in the fast-growing U.S. healthcare IT market, to support provider groups and payers as they look to optimize clinical and financial performance and address the increasing demands of new government regulations. The newly acquired companies bring recognized industry expertise within healthcare consulting including technology adoption, program and project management; Electronic Health Record (EHR) implementation and optimization capabilities, and population health and analytics expertise. This will further strengthen the scale and scope of Atos' healthcare-focused services in its Business & Platform Solutions division.

On **October 18**, Worldline, an Atos company announced the completion of the agreement to acquire 100 percent of the share capital of Digital River World Payments (DRWP), a leading online global payment service provider from Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions. Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections. With its global reach, and positioning as a PSP and collector, DRWP is a strong complement to Worldline's existing and proven SIPS gateway.

On **October 24**, Atos announced the revenue of its third quarter of 2017. With revenue at € 3,002 million up by +10.9% at constant exchange rates and +2.5% organically, the third quarter continues the trend of the first part of the year with positive growth in each of the Divisions. Order entry was € 2,892 million representing a book to bill ratio at 96%.

On **October 27**, Worldline, an Atos company announced the completion of the agreement to acquire 100 percent of the share capital of MRL Posnet, for a consideration up to c. 6.5 billion Indian rupees (approximately € 84 million), representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline.

December

On **December 11**, Atos announced that it had made a formal proposal to acquire Gemalto by way of a public offer for all of Gemalto issued and outstanding shares. Atos invited Gemalto's Board of Directors to engage discussions and review collaboratively this potential transaction. On November 28, 2017, Atos had delivered an offer to the Board of Directors of Gemalto which is friendly, compelling, and which addresses the interests of all stakeholders. Since then, Atos has reiterated its friendly intentions. Considering increased risk that could impact Gemalto's shares, and for the purposes of market information, the Atos' Board of Directors has decided to make its proposal public while affirming its willingness to engage into discussions with the objective to come to a transaction recommended by the Gemalto's Board of Directors.

On **December 17**, Atos acknowledges Thales' offer to acquire Gemalto, at €51.0 per share. Following its financial discipline, the Board of Atos had decided not to pursue its offer to acquire Gemalto at € 46.0 per share.

January 2018

On **January 2**, Atos announced the completion of the acquisition of the Siemens' subsidiary, Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider. Atos' intent to acquire CVC was announced on October 2, 2017. CVC delivers software-based solutions in the fields of communication networks and enterprise cybersecurity.

February 2018

On **February 21**, 2018, Atos announced its FY 2017 results and achievement of all its annual objectives. Revenue was € 12,691 million, +10.1% at constant exchange rates, and +2.3% organically, particularly led by the Atos Digital Transformation Factory which represented 23% of 2017 revenue (vs. 13% in 2016) benefitting from the strong demand of large organizations implementing their digital transformation. Operating margin was € 1,292 million, representing 10.2% of revenue, compared to 8.9% in 2016 at constant scope and exchange rates. This improvement by +130 basis points notably came from a fast increasing hybrid or private cloud business, the synergies with Equens and Unify, and the continuous execution of the TOP transformation program. In 2017, the Group continued to execute its pension schemes optimization plan which resulted in operating margin one-offs for € 28 million, compared to € 41 million in 2016. Excluding these effects, the Group profitability was up +140 basis points at 10.0% in 2017. The commercial dynamism of the Group was particularly high in 2017 with order entry reaching € 13.9 billion, up by +6.8% compared € 13.0 billion statutory in 2016. It represented a book to bill ratio of 110% in 2017, of which 123% during the fourth quarter. Full backlog increased by +6.0% year-on-year to €22.7 billion at the end of 2017, representing 1.8 year of revenue. The full qualified pipeline reached € 7.4 billion, a strong increase by +14.7% compared to € 6.5 billion published at the end of 2016. Net income was € 665 million, +14.5% compared to 2016 excluding the gain on the Worldline's sale of the share in Visa Europe to Visa Inc. for € 51 million and net income Group share reached € 601 million, +10.7% compared to 2016 excluding Visa share. Therefore, basic EPS Group share was € 5.72, +9.3% compared to 2016 excluding Visa share and normalized EPS Group share was € 8.24, +9.3% compared to 2016. Free cash flow reached € 714 million in 2017, +25.4% compared to € 569 million in 2016, materializing the continuous improvement of operating margin conversion rate to free cash flow, reaching 55.3% in 2017, 56.5% excluding pension one-offs. Net cash position was € 307 million at the end of 2017, broadly stable compared to € 329 million at the end of 2016, reflecting the amount paid for acquisitions and dividend during the year.

G.6.8.6 Share value for "ISF" purposes

The closing share price on December 31, 2017 was € 121.35. The average closing share price over the last 30 stock market trading days of 2017 was € 125.28 compared to € 97.66 for the same period in 2016.

G.6.8.7 Purchase or sale by the Group of its own shares

The Group purchased or sold its own shares in 2017 as described within the section G.6.7.6 ***Treasury stock and liquidity contract***. At December 31, 2017, the Group held 332,478 shares as treasury stock, but none related to the liquidity contract.

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
• EPS	• Permanent staff
• Cash flow from operations	• Temporary staff
• Free Cash Flow	• Turnover
• Change in net debt	• Utilization rate and non-utilization rate
	• 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 = (Revenue 2019e/Revenue 2016)$^{(1/3)}$ IASIFRIC -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.

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)

H.1.2.1 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.

H.1.2.2 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 February 26, 2018, 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 "Prospectus 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 Prospectus Regulation	Sections	Pages
1.	**Persons Responsible**		
1.1	**Indication of persons responsible**	**A.4.1**	**10**
1.2	**Declaration by persons responsible**	**A.4.2**	**10**
2.	**statutory auditors**		
2.1	**Names and addresses of the auditors**	**A.4.3**	**10**
2.2	**Indication of the removal or resignation of auditors** **Information regarding changes of statutory auditors during the period**	**A.4.3**	**10**
3.	**Selected financial information**		
3.1	**Historical financial information**	**A.5.1; E.3**	**11-12; 139-146**
3.2	**Financial information for interim periods**	**N/A**	
4.	**Risk Factors**	**F.1 to F.5**	**242-253**
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.1.2	260
5.1.2	The place and the number of registration	G.1.2	260
5.1.3	The date of incorporation and the length of life of the issuer	G.1.2	260
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.1.2	260
5.1.5	The important events in the development of the issuer's business	A.5.2 ; A.6.1	13-17
5.2.	**Investments**	**E.3.3.3; C.6**	**18-19; 145-146; 52-53**
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	4-5; 5-7; 35-53
6.1.2	New products or services developed	B.3; C	30-34; 35-53
6.2.	**Principal Markets**	**A.1; A.2; B.2**	**4-5; 5-7; 28-30**
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**	**242-253; 248**
6.5.	**Basis for statements made by the issuer regarding its competitive position**	**B.2**	**28-30**
7.	**Organizational Structure**		
7.1.	**Brief description of the Group**	**E.5.4; G.1.2**	**223-239-260**
7.2	**List of significant subsidiaries**	**E.4.7.4; Note 30**	**210-214**
8.	**Property, Plants and Equipment**		
8.1.	**Material tangible fixed assets**	**E.4.7.4 - Note 13**	**191-192**
8.2	**Environmental issues that pay affect the utilization of the tangible fixed assets**	**D.5**	**101-111**

N°	Items of the Annex I of the Prospectus Regulation	Sections	Pages
9.	**Operating and Financial Review**		
9.1.	**Financial Condition**	**E.1; E.3**	**124-138; 139-146**
9.2.	**Operating Results**		
9.2.1	Significant factors materially affecting the issuer's income from operations	E.1; E.3	124-138; 139-146
9.2.2	Disclosure of material changes in net sales or revenues	E.1; E.3	124-138; 139-146
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	124-138; 139-146
10.	**Capital Resources**		
10.1.	**Issuer's capital resources**	**E.3; G.6**	**139-146; 312-326**
10.2.	**Sources and amounts of the issuer's cash flows**	**E.3.2**	**139-144**
10.3.	**Information on the borrowing requirements and funding structure**	**E.3.3**	**145-146**
10.4.	**Restrictions on the use of capital resources**	**N/A**	
10.5.	**Anticipated sources of funds to fulfill commitments**	**E.3.3**	**145-146**
11.	**Research and Development, Patents and Licenses**	**C.6**	**52-53**
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**	**25-34; 35-53; 124-138**
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**	**25-34; 35-53; 124-138**
13.	**Profit Forecasts or Estimates**	**N/A**	
14.	**Administrative, management, and Supervisory bodies and senior management**		
14.1.	**Composition – statements**	**A.6.2; G.2.3**	**19-24; 265-279**
14.2.	**Conflicts of interests**	**G.2.3.10**	**277-279**
15.	**Remuneration and Benefits**		
15.1.	**Remuneration and benefits in kind**	**G.3**	**291-306**
15.2.	**Pension, retirement or similar benefits**	**G.3**	**291-306**
16.	**Board Practices**		
16.1.	**Current term office**	**G.2.3**	**265-279**
16.2.	**Contracts providing benefits upon termination of employment**	**G.2.3; G.2.3.9**	**265-279**
16.3.	**Information about audit and Remuneration Committee**	**G.2.6; G.2.7**	**285-287; 287-288**
16.4.	**Statement related to corporate governance**	**G.2.1**	**263-264**
17.	**Employees**		
17.1.	**Number of employees**	**D.2; E.1.7**	**70-83; 138**
17.2.	**Shareholdings and stock options**	**G.3 ; G.6.1 ; G.6.2**	**291-306; 312-313; 313**
17.3.	**Arrangements involving the employees in the capital of the issuer**	**D.2.1.3**	**74-76**
18.	**Major shareholders**		
18.1.	**Identification of the main shareholders**	**G.6.1 ; G.6.2; G.6.7**	**312-313; 313; 315-320**
18.2.	**Voting rights**	**G.6.1.2**	**313**
18.3.	**Ownership and control**	**G.6.1 ; G.6.2; G.6.7**	**312-313; 313; 315-320**
18.4.	**Arrangements which may result in a change in control of the issuer**	**G.6**	**312-326**
19.	**Related party transactions**	**E.4.7.4 - Note 28**	**209**
20.	**Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1.	**Historical Financial Information**	**A.5 ; E.1 ; E.3; E.4**	**11-17; 124-138; 139-146; 147-215**
20.2.	**Pro forma financial information**	**N/A**	
20.3.	**Financial statements**	**E.4**	**149-217; 147-215**
20.4.	**Auditing of historical annual financial information**		

N°	Items of the Annex I of the Prospectus Regulation	Sections	Pages
20.4.1	Statement indicating that the historical financial information has been audited	E.4.1	147-151
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**	**E.1**	**124-138**
20.6.	**Interim and other financial information**	**N/A**	
20.7	**Dividend policy**	**G.1.3 ; G.6.3**	**261-262; 314**
20.7.1	Amount of dividends	G.6.3	314
20.8.	**Legal and arbitration proceedings**	**F.5**	**251-253**
20.9.	**Significant change in the issuer's financial or trading position**	**E.3**	**139-146**
21.	**Additional Information**		
21.1.	**Share Capital**		
21.1.1	Amount of issued capital	G.6	312-326
21.1.2	Shares not representing capital	N/A	
21.1.3	Shares held by or on behalf of the issuer itself	G.6	312-326
21.1.4	Convertible securities, exchangeable securities or securities with warrants	G.6.7.7	319
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.6	312-326
21.1.7	History of share capital	G.6	312-326
21.2.	**Memorandum and Articles of Association**		
21.2.1	Description of issuer's objects and purposes	G.1.2	260
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.1	260-262
21.2.3	Description of the rights, preferences and restrictions attaching to each class of the existing shares	G.1.3 ; G.6.3	261-262; 314
21.2.4	Description of actions to change the rights of holders of the shares	G.1	260-262
21.2.5	Description of the conditions governing the manner in which Annual General Meetings and Extraordinary General Meetings of shareholdersare called	G.1	260-262
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.1	260-262
21.2.7	Description of the conditions governing the ownership threshold above which shareholder ownership must be disclosed	G.1	260-262
21.2.8	Description of the conditions governing changes in the capital	N/A	
22.	**Material Contracts**	**E.1.5; F.1; F.2**	**137; 242-244; 245-247**
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.1.1; G.1.2; G.6**	**260; 260; 312-326**
25.	**Information on holdings**	**E.4.7.4 – Note 30**	**210-214**

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 Financial Market Authority' General Regulations.

Information	Sections	Pages
Company financial statements	E.5	216-239
Consolidated financial statements	E.4	147-151
Management report	B.3; C.6; D.; E.; F.; G.	30-34; 52-53; 55-122 124-240; 241-258; 259-326
Certificate of the Annual Financial report responsible	A.4.2	10
statutory auditors' report on the Company financial statements	E.5.1	216-218
statutory auditors' report on the consolidated financial statements	E.4.1	147-151
statutory auditors fees	E.4.7.4 - Note 31	215
report of the Chairman of the Board of Director on corporate governance and Internal Control	G.2.9	290
Statutory auditors' report, on the report prepared by the Chairman of the Board of Director, in accordance with article L. 225-235 of French Commercial Code (Code de Commerce)	E.5.1	216-218

In accordance with the requirements of article 28 of the prspectus regulation , the following elements are enclosed by reference:

- 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;
- the consolidated accounts for the year ended December 31, 2016 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") n° D.17-0274 filed with the Autorité des Marchés Financiers (AMF) on March 31, 2017.

I

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Requests for information can also be sent by email to investors@atos.net

I.2 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

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95870 Bezons – France
+33 1 73 26 00 00

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

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

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

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2017 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 February 26, 2018, in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

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