

## Third quarter 2011 revenue

Revenue stable at EUR 2,093 million (-0.3 per cent organically)

Book to bill ratio at 96 per cent

Strong backlog at EUR 14 billion, representing 1.6 years of revenue

Net debt at EUR 234 million

Integration of SIS delivering expected synergies

2011 Objectives confirmed

**Paris, 25 October 2011** - Atos, an international information technology services company, today announced its revenue for the third quarter of 2011. **Revenue was EUR 2,093 million**, representing **-0.3 per cent** compared to the third quarter of 2010. Net debt stood at EUR 234 million at the end of September 2011.

**Thierry Breton, Chairman and CEO**, said: "During the third quarter of 2011, as planned, we have been able to successfully run the new Atos as a single integrated company. In the current economic environment, our new Group is well positioned, generating 74 per cent of its annual revenue through multi-year contracts across a very large customer base. Consequently, I confirm all our 2011 objectives. Finally, cash management is more than ever a key priority for Atos, and I confirm our zero net debt ambition for mid 2012."

### Revenue constant scope and exchange rates reconciliation

<i>In EUR million</i>	Q3 2011	Q3 2010	% growth
<b>Statutory revenue</b>	2,093	1,210	72.9%
Scope impact		930	
Exchange rates impact		-41	
<b>Revenue at constant scope and exchange rates</b>	2,093	2,099	-0.3%

## Revenue performance by Service Line

<i>In EUR million</i>	Q3 2011	Q3 2010*	% growth
Managed Services	1,007	987	+2.1%
Systems Integration	528	550	-4.1%
HTTS & Specialized Businesses	421	412	+2.3%
Consulting & Technology Services	136	150	-9.2%
<b>Total Group</b>	<b>2,093</b>	<b>2,099</b>	<b>-0.3%</b>

\* *pro forma and constant exchange rates*

Representing 48 per cent of the Group, **Managed Services revenue** was **EUR 1,007 million**, up **+2.1 per cent** compared to the third quarter of 2010. The Service Line benefited from a growing business in Germany, in the United Kingdom, North America, and Central & Eastern Europe.

In **Systems Integration**, representing 25 per cent of the Group, revenue declined by **-4.1 per cent** to **EUR 528 million**. In Germany and in Central & Eastern Europe (CEE), revenue declined as expected, due to less hardware revenue and the planned reduction of SIS staff during the second half of 2010 and in the first half of 2011.

While revenue grew in the United Kingdom, it declined in the Netherlands with less volumes and also in France where price pressure persisted and impacted the level of new contracts signed.

Representing 20 per cent of the Group, **Hi-Tech Transactional Services & Specialized Businesses** (HTTS & SB) **revenue** reached **EUR 421 million**, up **+2.3 per cent** compared to the third quarter of 2010. HTTS business grew by +3.5 per cent, of which Payments +2.7 per cent. Revenue for BPO was up +4.0 per cent.

The decline in other Specialized Businesses was -4.8 per cent (EUR -3 million) and came from EUR 10 million less hardware revenue compared to last year on the pilot project for ERDF.

In **Consulting & Technology Services**, representing respectively 2 and 5 per cent of the Group, **revenue** was **EUR 136 million**, a decline of **-9.2 per cent** compared to the third quarter of 2010. As expected, the Netherlands and Iberia continued to face a tough environment particularly in Financial Services and Public Sector.

## Revenue performance by Group Business Unit (GBU)

<i>In EUR million</i>	Q3 2011	Q3 2010*	% growth
Germany	448	454	-1.2%
France	228	242	-5.8%
United-Kingdom & Ireland	349	335	+4.3%
Benelux	242	260	-7.0%
Atos Worldline	226	224	+1.0%
Central and Eastern Europe	129	130	-1.4%
North America	125	116	+7.7%
North & South West Europe	108	101	+6.8%
Iberia	79	79	+0.3%
Other BUs	158	158	+0.1%
<b>Total Group</b>	<b>2,093</b>	<b>2,099</b>	<b>-0.3%</b>

\* *pro forma and constant exchange rates*

In **Germany, revenue** reached **EUR 448 million**, representing a decline of **-1.2 per cent**. Revenue in Managed Services grew by +1.5 per cent with the ramp-up of new clients signed in the first half of 2011, and as expected with Siemens as a result of the new IT contract started on July 1<sup>st</sup>, 2011.

In Systems Integration, revenue declined by -5.2 per cent, mainly due to lower volumes with some clients, including the ramp-down of the Application Management contract with a large German bank.

**Revenue in France** was **EUR 228 million, down -5,8 per cent** compared to the third quarter of 2010. The activity declined in Managed Services where revenue was affected by the ramp-down of contracts and a lack of fertilization in Telecom & Media and in Financial Services. The new management of France started on October 1<sup>st</sup>, 2011, with the objective to return France to profitable growth.

In the **United Kingdom & Ireland, revenue** reached **EUR 349 million, up +4.3 per cent** compared to the third quarter of 2010.

Managed Services was up +4.4 per cent due to increased volumes and with large clients acquired from SIS.

Systems Integration benefited from an increased activity, resulting in revenue up +6.1 per cent compared to the third quarter of 2010.

Within HTTS & SB, HTTS grew +6.7 per cent due to higher volumes from customers in the Transport sector, and BPO grew by +4.0 per cent with the ramp up of a new contract signed in the first quarter of 2011.

In **Benelux, revenue** reached **EUR 242 million, down -7.0 per cent** compared to the third quarter of 2010. While revenue was growing in Belgium in each Service Line, the activity continued to decline in the Netherlands in the cyclical businesses for discretionary spending, with lower volumes in Financial Services and more recently in the Public sector. In this country where prices stabilized, the Group focuses on workforce management by re-skilling staff and decreasing the number of subcontractors, in order to protect the operating margin.

**Revenue for Atos Worldline** was **EUR 226 million** up **+1.0 per cent**. Compared to the third quarter of 2010, Payment activities grew by +2.1 per cent led by the operations in Belgium and in France. eServices grew by +2.5 per cent, while as planned, Financial Markets declined by -13.1 per cent.

In **Central & Eastern Europe (CEE) revenue** reached **EUR 129 million, down -1.4 per cent**. Managed Services posted a strong growth which fully offset the revenue decline in Systems Integration.

In Managed Services, revenue grew by +16.2 per cent, benefiting from the ramp-up of contracts in the Public sector in Austria and in Slovakia.

In Systems Integration, revenue continued to grow in Poland in the Telecom sector, but was not sufficient to offset a reduction in Manufacturing and Public sectors, mainly on projects which are now run by Managed Services after a successful transition in countries such as Austria and Slovakia.

In **North America (NAM) revenue** was **EUR 125 million, up +7.7 per cent**. The growth mainly came from Managed Services which posted +9.1 per cent, benefiting from new businesses in the Financial Services which started to generate revenue respectively at the end of 2010 and at the beginning of 2011, and in the Manufacturing Sector.

In **North & South West Europe (N&SWE) revenue** reached **EUR 108 million, up +6.8 per cent**, mainly driven by Switzerland which achieved a double digit growth, particularly in Managed Services and also in HTTS & SB activities with a favourable comparison basis with the third quarter of 2010 in the Civil and National Security business.

In **Iberia, revenue** was **EUR 79 million, up +0.3 per cent**.

Managed Services remained flat, and HTTS & SB grew with higher volumes in loyalty and payment cards.

Systems Integration grew thanks to the ramp-up in volumes and new pricing with a large bank and extended activities in Application Management with the Telecom sector. However, the growth in Systems Integration was offset by lower volumes in Consulting & Technology Services as a result of the market conditions which continue to remain tough.

In **Other Business Units, revenue** reached **EUR 158 million**, stable at **+0.1 per cent** compared to the third quarter of 2010. Latin America grew by +15.8 per cent, thanks to more volumes on multi-year contracts in Managed Services, and in new contracts for HTTS in the Transport sector.

In Asia Pacific, revenue grew slightly thanks to Systems Integration contracts, both in China and in Australia.

## Commercial activity

The Group **order entries** for the third quarter of 2011 totalled **EUR 2,014 million**, representing a **book to bill ratio of 96 per cent**. Book to bill was 103 per cent for cyclical activities (Consulting & Technology Services and Systems Integration) and 93 per cent for recurring businesses (Managed Services, HTTS & Specialized Businesses).

At the end of the third quarter of 2011, the **full backlog** was **EUR 14.0 billion** representing 1.6 years of revenue, compared to EUR 7.5 billion at 30 June 2011 before the acquisition of SIS which represented 1.5 years of revenue. The main increase was in Managed Services which represented 2.2 years of revenue. Included in the backlog at 30 September 2011 was EUR 2.7 billion for the outsourcing and application management part of the Global IT contract with Siemens.

The **full qualified pipeline** at 30 September 2011 was **EUR 5.6 billion**, more than doubling compared to EUR 2.7 billion at 30 June 2011 before the acquisition of SIS.

**For the full year 2011, the Group is confident to reach a book to bill ratio above 100 per cent.**

## Net debt and free cash flow

**Net debt** as of 30 September 2011 was **EUR 234 million**. Thanks to a reduction in restructuring and rationalization, and a strong monitoring of working capital, the free cash flow during the third quarter 2011 was EUR 36 million compared to EUR 9 million for the third quarter of 2010. For the first nine months of 2011, the Group generated a free cash flow of EUR 119 million, in line with its annual objective of EUR 170 million.

The net debt at the end of 2011 is expected around EUR 183 million compared to EUR 139 million at the end of 2010.

## Human Resources

The number of staff from SIS who joined Atos on July 1<sup>st</sup>, 2011 was 26,571, meaning the total number of Atos staff on July 1<sup>st</sup> 2011 was 74,397.

The **total number of Group employees** was **74,088** at the end of September 2011.

The number of direct employees was 65,928 at the end of September 2011, representing 89.0 per cent of the total, compared to 90.8 per cent at the end of June 2011, prior to the acquisition of SIS.

During the third quarter 2011, 2,553 new employees were recruited.

During the first nine months of 2011, attrition remained under control at 12 per cent.

Over the third quarter of 2011, as planned, dismissals and restructuring concerned 629 employees.

Staff in the emerging countries totalled around 15,000 at the end of September 2011, representing 20 per cent of total staff, with 70 per cent located in Asia.

At the end of September, the number of external subcontractors was 8,000.

## **2011 Objectives**

The following objectives relate to the year 2011 which includes 12 months of Atos and 6 months of SIS acquired on 1<sup>st</sup> July 2011.

### **Operating margin**

The Group confirms its full year guidance at **6.2 per cent operating margin rate**.

### **Revenue**

The Group confirms its ambition to reach a **statutory revenue** for 2011 **around EUR 6.8 billion**.

### **Free cash flow**

The Group confirms the guidance for the **free cash flow** to be **around EUR 170 million** in 2011.

## Appendix

### 9 months Revenue constant scope and exchange rates reconciliation

<i>In EUR million</i>	9M 2011	9M 2010	% growth
<b>Statutory revenue</b>	4,569	3,704	23.3%
Scope impact		930	
Exchange rates impact		-40	
<b>Revenue at constant scope and exchange rates</b>	4,569	4,595	-0.6%

### 9 months revenue performance by Service Line

<i>In EUR million</i>	9M 2011	9M 2010*	% growth
Managed Services	1,862	1,837	+1.4%
Systems Integration	1,176	1,202	-2.2%
HTTS & Specialized Businesses	1,096	1,078	+1.7%
Consulting & Technology Services	435	477	-9.0%
<b>Total Group</b>	4,569	4,595	-0.6%

\* *pro forma and constant exchange rates*

*Figures include Atos 9 months and SIS 3 months*

### 9 months revenue performance by Group Business Unit (GBU)

<i>In EUR million</i>	9M 2011	9M 2010*	% growth
Germany	646	644	+0.4%
France	733	753	-2.6%
United-Kingdom & Ireland	807	779	+3.6%
Benelux	683	719	-5.1%
Atos Worldline	679	663	+2.4%
Central and Eastern Europe	154	154	-0.4%
North America	165	158	+4.8%
North & South West Europe	119	114	+4.5%
Iberia	224	226	-1.2%
Other BUs	359	385	-6.6%
<b>Total Group</b>	4,569	4,595	-0.6%

\* *pro forma and constant exchange rates*

*Figures include Atos 9 months and SIS 3 months*

**A webcast in English will be held today 25 October 2011 at 9:00 am, CET time, accessible on [atos.net](http://atos.net)**

## **Forthcoming events**

23 February 2011            2011 annual results

## **Disclaimers**

This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2010 Reference Document filed with the Autorité des Marchés Financiers (AMF) on 1 April 2011 under the registration number: D11-0210 and its updates filed on 8 June 2011 under the registration number: D11-0210-A01 and on 29 July 2011 under the registration number: D11-0210-A02.

Global Business Units include **Germany, France, UK & Ireland, Benelux** (The Netherlands, Belgium and Luxembourg), **Atos Worldline** (French, German, Belgian and Indian subsidiaries), **Central and Eastern Europe** (CEE: Austria, Bulgaria, Croatia, Serbia, Poland, Czech Republic, Russia, Romania, Slovakia and Turkey), **North America** (NAM: USA and Canada), **North & South West Europe** (N&SW Europe: Switzerland, Italy, Denmark, Finland, Sweden & Greece), **Iberia** (Spain, Portugal & Major Events), **Other Business Units** including Latin America (Brazil, Argentina, Mexico, Colombia and Chile), Asia Pacific (Japan, China, Hong Kong, Singapore, Malaysia, Indonesia, Philippines, Taiwan, Thailand and Australia), IMEA (India, Middle East, Morocco and South Africa) and Atos WorldGrid.

Revenue organic growth is presented at constant scope and exchange rates. The backlog at 30 September 2011 includes an update in the booking recognition according to the new Group revenue profile.

The AtoS pro forma financial information for the 18 months to 30 June 2011 comprises the results of the former Atos Origin perimeter and the acquired scope of the ex Siemens IT Services (SIS), as if AtoS had been in existence since 1 January 2010. The information is provided as guidance only; it is not audited and, as pro forma information, it does not give a full picture of the financial position of the Group. The key assumptions used in the preparation of the information are as follows:

- The pro forma information has been prepared using accounting policies consistent with those used in the historic Atos Origin interim and year-end financial statements;
- Pro forma tax is based on the estimated effective rate of tax for AtoS for the relevant periods applied to pro forma profit before taxation.
- The pro forma Profit and Loss account excludes significant exceptional items as being non-recurring, notably provisions on contract risks recorded in the first semester 2011.



## About Atos

Atos is an international information technology services company with annual 2010 pro forma revenues of EUR 8.6 billion and 74,000 employees in 42 countries at the end of September 2011. Serving a global client base, it delivers hi-tech transactional services, consulting and technology services, systems integration and managed services. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing, Retail, Services; Public, Health & Transport; Financial Services; Telecoms, Media & Technology; Energy & Utilities.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic Games and is quoted on the Paris Eurolist Market. Atos operates under the brands Atos, Atos Consulting and Technology Services, Atos Worldline and Atos WorldGrid. For more information, visit: [atos.net](http://atos.net)

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