Atos

Press Release

Third quarter 2012

Order entry up +23 per cent; Book to bill ratio: 116 per cent
Strong backlog: EUR 15.3 billion, 1.7 years of revenue
Revenue: EUR 2,181 million (+0.2 per cent); +1.0 per cent year-to-date
Free cash flow: EUR 32 million
Net cash further improved at EUR 112 million

All 2012 objectives confirmed

Paris, 25 October 2012 - Atos, an international information technology services company, today announced its revenue for the third quarter of 2012. **Order entry** was **EUR 2,532 million**, up +23 per cent year-on-year, leading to a **book to bill ratio of 116 per cent**. **Revenue was EUR 2,181 million**, representing an **organic growth of +0.2 per cent** compared to the third quarter of 2011. **Free cash flow** was **EUR 32 million**, leading to **net cash** increasing to **EUR 112 million** at the end of September 2012.

For the first nine months of 2012, book to bill ratio was 114 per cent and revenue reached EUR 6,547 million, up +1.0 per cent year-on-year.

Thierry Breton, Chairman and CEO, said: *"In the third quarter, we have achieved a very strong order entry with new large deals signed in the UK, Germany and Scandinavia, despite a challenging economic environment for cyclical activities. Together with the major wins signed in the first half of 2012, this will contribute to secure our 2013 targets. We also continued to focus on the execution of our transformation and integration programs. Finally, we confirm all our 2012 objectives."*

"The achievements of the last quarter confirm the strength of the Atos' specific business model implemented over the past few years, and particularly well suited to the current environment with 77 per cent recurrent revenue and a very competitive positioning on the large outsourcing and cloud opportunities."

Revenue at constant scope and exchange rates reconciliation

In EUR million	Q3 2012	Q3 2011	*% growth*
Statutory revenue	2,181	2,093	*+4.2%*
Scope impact		25	
Exchange rates impact		59	
Revenue at constant scope and exchange rates	2,181	2,177	*+0.2%*

Revenue performance by Service Line

In EUR million	Q3 2012	Q3 2011*	*% growth*	YTD 2012	*% growth*
Managed Services	1,038	1,029	*+0.8%*	3,063	*+2.2%*
Systems Integration	515	523	*-1.5%*	1,582	*-1.8%*
HTTS & Specialized Businesses	488	474	*+3.1%*	1,455	*+3.2%*
Consulting & Technology Services	140	150	*-7.0%*	447	*-4.1%*
Total Group	2,181	2,177	*+0.2%*	6,547	*+1.0%*

** Constant scope and exchange rates*

Representing 48 per cent of the Group, **Managed Services** revenue was **EUR 1,038 million**, up **+0.8 per cent** compared to the third quarter of 2011.
Growth was mainly driven by the UK, France, and the US.
In the UK, the ramp-up of the Nuclear Decommissioning Agency and the Department of Health contracts resulted in double digit growth.
In France, the growth was led by the ramp-up of the EDF contract and in North America thanks to the first effects of the McGraw-Hill contract.
The successful completion at the end of the first half of 2012 of the Siemens project to separate and transform the platforms between Siemens and the former SIS scope impacted as expected Managed Services revenue in the third quarter 2012 by EUR 15 million mainly in the GBU Germany. Excluding this base effect, Managed Services grew in Germany in Q3 2012.
In Benelux and Iberia, revenue was almost flat.

Over the first nine months of 2012, Managed Services revenue was EUR 3,063 million, representing an organic growth of +2.2 per cent.

For **Systems Integration**, representing 24 per cent of the Group, revenue was **EUR 515 million**, down **-1.5 per cent** compared to -3.7 per cent in the second quarter of 2012.
The Service Line faced a challenging economic environment, particularly in France and Iberia.
Benelux returned to growth and reported a +4.7 per cent increase in the Netherlands linked to new projects in Public sector, Manufacturing, and Retail.
UK remained above +4 per cent growth as in H1 2012 thanks to growing business in the Public Sector, Healthcare & Transport markets, while Germany continued to face the anticipated ramp-down of the Application Management contract with Commerzbank.
North America continued to demonstrate double digit growth thanks to a strong increase in revenue in Financial Services.
Finally, "Other Business Units" recorded strong growth including the contribution of the London 2012 Olympic & Paralympic Games in the third quarter 2012.

Over the first nine months of 2012, revenue for Systems Integration was EUR 1,582 million, down -1.8 per cent.

Representing 22 per cent of the Group, **Hi-Tech Transactional Services & Specialized Businesses** (HTTS & SB) revenue was **EUR 488 million**, **up +3.1 per cent** year-on-year.
HTTS business grew by +2.4 per cent driven by Payment activities which were up +4.0 per cent, while eCS reported a slight growth thanks to increased fertilization on projects in France.
In Specialized Businesses, BPO continued to report double digit growth thanks to an increase in volumes in both Financial and Medical activities. Civil & National Security grew by +5.7 percent thanks to higher activity in Switzerland and Italy.

Over the first nine months of 2012, HTTS & SB revenue grew +3.2 per cent to EUR 1,455 million.

For **Consulting & Technology Services**, which represents 6 per cent of the Group, revenue was **EUR 140 million**, down **-7.0 per cent** year-on-year, a decline especially visible in September due to the adverse environment for short term cyclical activities, more particularly in Benelux and Iberia.
France grew thanks to the start of new contracts in Consulting and a better utilization rate in Technology Services.
In the UK, revenue was up +8.0 per cent year-on-year, mainly thanks to new Consulting practices in the Public sector.

For the first nine months of 2012, revenue for Consulting & Technology Services was EUR 447 million, down -4.1 percent.

Revenue performance by Group Business Unit (GBU)

In EUR million	Q3 2012	Q3 2011*	*% growth*	YTD 2012	*% growth*
Germany	427	443	*-3.7%*	1,266	*+2.6%*
United-Kingdom & Ireland	426	387	*+10.0%*	1,238	*+7.8%*
Benelux	236	242	*-2.2%*	729	*-4.8%*
Atos Worldline	228	223	*+2.3%*	685	*+1.3%*
France	228	228	*+0.0%*	728	*-1.8%*
North America	147	141	*+4.4%*	423	*+7.1%*
Central & Eastern Europe	136	143	*-4.9%*	405	*-2.3%*
North & South West Europe	99	105	*-5.1%*	302	*-2.7%*
Iberia	71	79	*-10.4%*	235	*-6.7%*
Other BUs	183	186	*-1.7%*	536	*-1.8%*
Total Group	2,181	2,177	*+0.2%*	6,547	*+1.0%*

** Constant scope and exchange rates*

During the third quarter of 2012, the **UK** accelerated the development of its business and delivered its strategy to offer IT solutions that allow the Public sector to reduce costs while increasing productivity. All Service Lines and Vertical markets positively contributed to growth in Q3 2012.

The GBU **North America** strongly grew in Systems Integration, primarily in Financial Services and started to generate revenue from the McGraw-Hill outsourcing contract.

Following the slight +0.8 per cent growth in the first half of 2012, **Atos Worldline** revenue accelerated to +2.3 per cent in the third quarter of 2012, in line with plans. Payment activities were up +3.1 per cent thanks to an increase in processing volumes in Germany and projects fertilization in France in Financial Services and Telco. eCS grew also +3.3 per cent, mainly in e-commerce and institutional websites on the French market.

Revenue in **Germany** benefited from the ramp-up of new contracts such as ThyssenKrupp in Systems Integration and Bayer in Managed Services which contributed to offset the end of the transition project with Siemens and, as already mentioned, the base effect of the contract with Commerzbank.

Central & Eastern Europe and **N&SWE** faced a decline, in Slovakia (EUR -10 million) and in Italy (EUR -4 million) respectively, while total revenue of the other countries was stable.

In the geographies where the market conditions are difficult, **France** and **Benelux** resisted well and the impact on revenue was minimal. In **Iberia**, the impact was more significant due mainly to the decline in cyclical activities in the Public sector.

Commercial activity

The Group **order entries** for the third quarter of 2012 totaled **EUR 2,532 million**, representing a **book to bill ratio** of **116 per cent**.

During the third quarter, the Group signed significant new contracts, including the Department for Work and Pensions (DWP) in the UK for Medical BPO, PostNord in the Nordics for a first generation outsourcing contract, and Postbank in Germany for Managed Services.

Excluding Siemens, for which the outsourcing and application management elements of the Global IT contract were booked in the backlog in July 2011, the book to bill ratio was 121 per cent.

For the first nine months of the year, the book to bill ratio was 114 per cent (120 per cent excluding Siemens) and three global markets (Public sector, TMT, Energy & Utilities) reported book to bill higher than 125 per cent.

Further to the order entries signed in the third quarter of 2012, the **full backlog** was **EUR 15.3 billion** at the end of September, representing 1.7 years of revenue, compared to EUR 14.9 billion at the end of June 2012.

The **full qualified pipeline** on September 30th, 2012 was almost stable compared to June 2012 at **EUR 5.1 billion** after EUR 800 million of order entries for the three large deals mentioned above. It represents 7 months of revenue, and importantly HTTS & SB is at 7 months and Systems Integration is at 9 months.

With the continued implementation of its eXpand Program to amplify growth, the Group has shown a strong commercial dynamism since the beginning of the year. In the last few months, the eXpand Program was focused on pushing sales of innovative offerings in among others, HTTS, Cloud through Canopy, ESN with blueKiwi. All these initiatives, together with the large deals signed, already embarked growth potential for 2013 and beyond.

Net cash and free cash flow

Net cash position on September 30th, 2012 was **EUR 112 million**.

The free cash flow during the third quarter of 2012 was EUR 32 million.

During the third quarter of 2012, the Group made a EUR 15 million dividend payment, and spent EUR 6 million on a small acquisition.

Human Resources

The **total number of Group employees** was **75,900** at the end of September 2012 compared to 75,329 at the end of June 2012.

The number of direct staff was more than 69,000, representing 91.3 per cent of the total headcount, compared to 89.5 per cent at the end of December 2011, and 89.0 per cent on year ago.

During the third quarter of 2012, more than 3,000 new employees were recruited while attrition remained stable at around 10 percent.

Staff in the emerging countries represent 26 per cent of total staff, with 40 per cent of them located in India, the rest in Latin America, CEE and Asia.

The number of external subcontractors decreased to 7,600 at the end of September, almost 1,000 less compared to the beginning of the year.

2012 Objectives

The Group confirms all its objectives for 2012 as communicated in the February 23rd, 2012 release:

Revenue

The Group is confident to reach a **slight organic growth** in **revenue** compared to pro forma 12 months 2011.

Operating margin

Thanks to the continued integration of SIS and the roll out of the TOP² Program, the Group is on track to improve its **operating margin rate to 6.5 percent of revenue** compared to 4.8 percent for pro forma 12 months 2011.

Free cash flow

The Group targets a **free cash flow** of around **EUR 250 million**.

Earnings per share (EPS)

The Group forecasts EPS (adjusted, non diluted) in line with the **+50 percent increase** targeted **for 2013** compared to 2011 statutory.

Appendix

9 months Revenue constant scope and exchange rates reconciliation

In EUR million	YTD 2012	YTD 2011	*% growth*
Statutory revenue	6,547	4,569	*+43.3%*
Scope impact		1,792	
Exchange rates impact		122	
Revenue at constant scope and exchange rates	6,547	6,483	*+1.0%*

9 months revenue performance by Service Line

In EUR million	YTD 2012	YTD 2011*	*% growth*
Managed Services	3,063	2,997	*+2.2%*
Systems Integration	1,582	1,611	*-1.8%*
HTTS & Specialized Businesses	1,455	1,410	*+3.2%*
Consulting & Technology Services	447	466	*-4.1%*
Total Group	6,547	6,483	*+1.0%*

** Constant scope and exchange rates*

9 months revenue performance by Group Business Unit (GBU)

In EUR million	YTD 2012	YTD 2011*	*% growth*
Germany	1,266	1,234	*+2.6%*
United-Kingdom & Ireland	1,238	1,149	*+7.8%*
Benelux	729	765	*-4.8%*
Atos Worldline	685	677	*+1.3%*
France	728	742	*-1.8%*
North America	423	394	*+7.1%*
Central & Eastern Europe	405	414	*-2.3%*
North & South West Europe	302	310	*-2.7%*
Iberia	235	252	*-6.7%*
Other BUs	536	546	*-1.8%*
Total Group	6,547	6,483	*+1.0%*

** Constant scope and exchange rates*

9 months revenue performance by Vertical

In EUR million	YTD 2012	YTD 2011*	*% growth*
Manufacturing, Retail & Services	2,190	2,125	*+3.1%*
Public sector, Healthcare & Transport	1,730	1,667	*+3.8%*
Financial Services	1,245	1,264	*-1.6%*
Telecoms, Media & Technology	915	954	*-4.1%*
Energy & Utilities	467	474	*-1.4%*
Total Group	6,547	6,483	*+1.0%*

** Constant scope and exchange rates*

Press Release

Conference call

Today, October 25th, 2012, Gilles Grapinet, Senior Executive Vice President in charge of Global Functions, along with Michel-Alain Proch, Chief Financial Officer will comment on Atos' revenue for the third quarter 2012 and answer questions from the financial community during a **conference call** in English starting at **8:00 am** (CET - Paris).

The audio conference numbers are:

France dial-in :	+33 1 70 99 32 08	code 923441
UK dial-in :	+44 207 162 00 77	code 923441
US dial-in :	+1 334 323 6201	code 923441

The conference (audio and webcast) and the presentation will also be available on our website at: atos.net, in the Investors section.

Forthcoming events

21 February 2013	FY 2012 Results
25 April 2013	First quarter 2013 Revenue
25 July 2013	First half 2013 Results
24 October 2013	Third quarter 2013 Revenue

About Atos

Atos is an international information technology services company with annual 2011 pro forma revenue of EUR 8.5 billion and 74,000 employees in 48 countries. 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 & Transports; 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 and Paralympic Games and is quoted on the Paris Eurolist Market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Atos Worldline and Atos Worldgrid. For more information, visit: atos.net

Contact

Press:	**Caroline Crouch**	Tel +44 77 333 100 86 caroline.crouch@atos.net
Investor Relations:	**Gilles Arditti**	Tel +33 (0) 1 73 26 00 66 gilles.arditti@atos.net

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 2011 Reference Document filed with the Autorité des Marches Financiers (AMF) on April 5th, 2012 under the registration number: D12-0288 and its update filed with the Autorité des Marchés Financiers (AMF) on August 2nd, 2012 under the registration number: D. 12-0288-A01.

Global Business Units include **Germany**, **France**, **United Kingdom & Ireland**, **Benelux** (The Netherlands, Belgium and Luxembourg), **Atos Worldline** (French, German, Belgian, Asian and Indian subsidiaries), **Central & 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 and Portugal), and **Other Business Units** including Major Events (including MSL), 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), blueKiwi and Atos Worldgrid (including E-Utile).

Revenue organic growth is presented at constant scope and exchange rates.

Adjusted (non diluted) Earnings Per Share (EPS) represents the net income adjusted of restructuring, rationalization and customer relationship amortization, net of tax, divided by the weighted average number of shares during the year.

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 and is unaudited. 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.