

2012 Annual Results

All objectives reached in 2012

Operating margin strongly improved by +36 percent: EUR 580 million at 6.6 percent
 Statutory revenue: EUR 8,844 million; up +30 percent
 Free cash flow: EUR 259 million; net cash: EUR 232 million,
 Net income: EUR 224 million; +23 percent

Record commercial activity

EUR 10 billion order entry; book to bill ratio: 113 percent

Decision to proceed with the carve-out of payment and merchant transactional activities

2013 Objectives: strong increase in operating margin and free cash flow

Paris, 21 February 2013 - Atos, an international information technology services company, today announced its 2012 annual results.

Thierry Breton, Chairman and CEO at Atos said: "In 2012, we continued to create a European competitive company with global reach. We invested to deliver innovation and enhance our partnerships in key areas such as cloud services, enterprise social networks, e-payments,... The Board of Directors expressed its great satisfaction on our overall performance in 2012, which was the first full year of the new Atos SE. Despite the continued volatility in the global economic environment, we reached all our financial objectives thanks to our strong discipline in execution. Looking ahead, the company remains well-positioned to continue delivering significantly value for our customers and shareholders and in this context I am glad to announce the decision to carve-out payment and merchant transactional activities by mid-2013."

In EUR million	FY 2012	FY 2011	% growth
Revenue at constant scope and exchange rates	8,844	8,778	+0.8%
Operating margin at constant scope and exchange rates	580	425	+36.5%
% of revenue	6.6%	4.8%	+172bp
Net income Group share	224	182	+23.3%
% of revenue	2.5%	2.1%	+46bp
Adjusted net income Group share*	320	243	+31.6%
% of revenue	3.6%	2.8%	+85bp
Free cash flow	259	194	+33.0%
Net cash	232	-142	

* adjusted on restructuring, rationalization, disposals and PPA amortization, net of tax

Strong commercial activity throughout the year, led to a record order entry at EUR 10 billion. This represents a **book to bill ratio at 113 percent** thanks to major bookings in Managed Services and in BPO, and at the end of the year in Systems Integration. The book to bill ratio for the Group was **118 percent** excluding the Siemens account, for which the backlog already includes the majority of the Global IT contract.

Revenue was EUR 8,844 million, up +29.8 percent compared to 2011 on published revenues, representing an **organic growth of +0.8 percent**. The four largest Business Units are Germany and the UK with 19 percent of total revenue each, and Benelux and France with 11 percent each.

Operating margin was EUR 580.0 million, representing 6.6 percent of revenue compared to 4.8 percent in pro forma figures of 2011.

The Group generated in 2012 **EUR 259 million of free cash flow**. **Net cash position was EUR 232 million** at the end of 2012.

Net income Group share stood at **EUR 224 million** compared to EUR 182 million in 2011 statutory.

A new strategic step for Atos: carve-out of payment and merchant transactional activities

The Group announces today the decision to carve-out Atos payment and merchant transactional activities around Atos Worldline and specific transactional businesses, which is expected to be finalized by mid-2013. The defined scope is estimated to have generated revenue of EUR 1.1 billion in 2012, up +5 percent with an operating margin rate of 15 percent.

The carve-out will reveal this new entity as worldwide player and European leader in the payment space with a more integrated and efficient management of operations. It will provide the strategic and financial flexibility to expand its product offerings across the entire transaction value chain including alliances and partnerships. This will result in reaffirming this new entity's leading position in the payment sector, which is also enhanced by the ability to leverage on the large and strong Atos customer base and geographical presence.

Grouping all payment activities within a single defined perimeter with specific reporting will also enable increased internal and external transparency on this business performance while strengthening the operational performance of the new entity.

Atos payment and merchant transactional activities will be ideally positioned to act as a leader in the fast growing and constantly evolving European payment market landscape.

The Group has already initiated the information and consultation process with the employee representatives, both at European and local levels, according to the current regulations.

"After having successfully completed the integration of SIS, the carve-out of Atos payment and merchant transactional activities appears as a logical and exciting step forward for Atos. This will provide the new entity with a more strategic flexibility and attractive "currency" to move forward, leveraging on its leadership position in Europe." commented Thierry Breton.

FY 2012 operational performance

Revenue was EUR 8,844 million, a growth of +0.8 percent which materialized in Managed Services (+2.4 percent) and in HTTS & Specialized Businesses (+2.7 percent). Cyclical activities declined, particularly during the second half of the year with Systems Integration (-2.3 percent) and Consulting & Technology Services (-5.0 percent).

The revenue performance was driven mostly by North America (+8.9 percent) and the United-Kingdom (+7.5 percent), by a continued growth increase of Atos Worldline (+2.2) leading to +4.8 percent in the fourth quarter and to a lesser extent by Germany (+0.6 percent). Benelux, France and Iberia continued to be impacted by a difficult economic situation, more particularly in the cyclical activities.

Operating margin significantly increased compared to 2011 at EUR 580.0 million, from 4.8 to 6.6 percent of revenue. The improvement came mainly from Germany, North America, Central & Eastern Europe, and North & South West Europe, where the performance was notably due to the delivery of the TOP² Program and the restructuring plan on the former SIS scope.

(Detailed analysis on operational performance by Service Line is provided in appendix.)

Commercial activity

The Group **order entries** in 2012 totaled **EUR 10.0 billion**, representing a **book to bill ratio of 113 percent**, 118 percent excluding the Siemens account.

Book to bill was 115 percent for recurring businesses (Managed Services and HTTS & Specialized Businesses) and 109 percent in the cyclical activities (Systems Integration and Consulting & Technology Services).

After the significant signatures in the first nine months, the Group won a large contract in Application Management (Systems Integration) with a large European telecom infrastructures company.

Book to bill by market was strong in all verticals, reaching 124 percent in Public sector, Healthcare & Transport, 110 percent in Financial Services, 135 percent in Telco & Media, 122 percent in Energy & Utilities, and 95 percent in Manufacturing, Retail & Services (104 percent excluding the Siemens account).

Thanks to the high level of order entry in 2012, the **full backlog** was **EUR 15.6 billion** at the end of 2012, representing 1.8 year of revenue, compared to EUR 14.1 billion reported one year before.

The **full qualified pipeline** on December 31st, 2012 was **EUR 5.4 billion**, compared to EUR 5.3 billion reported on December 31st, 2011. It represents 7.3 months of revenue, well balanced between recurring businesses such as Managed Services and HTTS & SB at 7 months, and cyclical activities such as Systems Integration at 9 months of revenue.

The implementation in 2012 of the eXpand Program to accelerate revenue growth enabled an improvement of the win rate ratio to 45 percent. More than 1,500 pre-sales staff are now experts trained in the new offerings of the Group, which contributed to the increase of new logos in contracts signed and in the pipeline.

Operating income and net income

Operating income in 2012 was **EUR 381 million** as a result of the following items:

Expenses for **staff reorganization** were **EUR 62 million** and costs for **rationalization** were **EUR 28 million**, mainly on premises.

Integration costs resulting from the acquisition of SIS and representing primarily the migration of internal IT platforms totaled **EUR 53 million** as anticipated in July 2012.

In 2012, **EUR 43 million** was recorded as **amortization** of the SIS intangible assets, represented mainly by the SIS backlog and customer relationships (together 'the Customer Relationships') recognized as part of the Purchase Price Allocation (PPA).

Financial result was a charge of **EUR 52 million** and was composed of a net cost of financial debt of EUR 34 million (of which EUR 24 million for convertible bonds) and non-operational financial costs of EUR 18 million.

Total **tax charge**, including current and deferred taxes, was **EUR 103 million**, representing an **effective tax rate** of **31.2 percent**.

Therefore, **net income Group share** reached **EUR 224 million**, an increase of +23 percent compared to 2011 statutory. **Adjusted Earning per share** was **EUR 3.83** compared to EUR 3.20 in 2011 statutory.

Net cash and free cash flow

Group **net cash position** as of 31 December 2012 was **EUR 232 million**, compared to a net debt of EUR -142 million at 31 December 2011.

OMDA was **EUR 793 million** representing 9 percent of revenue, compared to EUR 632 million in 2011.

OMDA included EUR 115 million representing losses anticipated on former SIS projects which were funded by Siemens as part of the acquisition price but impacted the OMDA of the period. The Group reached settlements with customers on former SIS loss-making contracts which should reduce the estimated amount to circa EUR 70 million in 2013.

Reorganization and rationalization cash out was **EUR 126 million** (vs. EUR 119 million in 2011 statutory accounts), of which **EUR 54 million** for **rationalization** of premises as part of the real estate reduction plan.

Cash out for **IT integration costs** in 2012 amounted to **EUR 53 million**.

In 2012, **capital expenditure** totaled to **EUR 325 million**, representing **3.7 percent** of revenue as in 2011, of which 55 percent was in the second half.

Working capital improved by **EUR 82 million**, benefiting from the TOP² transformation Program actions on the former SIS scope with a strong focus to quickly collect receivables.

Finally, **tax paid** was **EUR 74 million** and **financial costs paid** were **EUR 34 million**.

The **free cash flow** was **EUR 259 million**.

Acquisitions and disposals of the year

In 2012, the Group has proceeded the transfer of deferred assets from SIS and the acquisition of several companies positioned in niche markets:

- The Russian operations transferred from Siemens
- E-Utile, an Italian leader in smart energy solutions, 51 percent transferred from Siemens and acquisition of the remaining 49 percent
- blueKiwi, a social workplace software company located in France
- MSL, a specialist in major events located in Spain
- Quality Equipment, a Dutch player in electronic payments
- Daesa, a small IT captive from Banco Popular in Spain

Atos sold its 49 percent stake in the Belgian joint venture SiNSYS in June and its small operations in Greece in December.

Human Resources

The **total number of Group employees** was **76,417** at the end of December 2012.

The number of direct employees at the end of December 2012 was 69,941, representing 91.5 percent of the total headcount, compared to 89.5 percent at the end of 2011, reflecting the restructuring program on indirect staff.

In 2012, 12,384 new employees were recruited while attrition slightly declined to below 11 percent.

Staff in the emerging countries represented more than 25 percent of total staff. The Group offshore capability represented 9,158 people at the end of 2012 compared to 7,819 at the end of 2011, with a majority located in India.

The Group continued actions to reduce the number of external subcontractors, which were 7,170 at the end of 2012 compared to 8,500 one year before. The objective remains to carefully monitor the level of non-critical subcontractors.

Dividend

During its meeting held on 20 February 2013, the Board of Directors decided to propose at the next Annual General Meeting of Shareholders, a **dividend** in 2013 on the 2012 results of **0.60 Euro** per share.

2013 Objectives

Revenue

The Group expects to **continue to slightly grow** compared to 2012.

Operating margin

The Group has the objective to improve its operating margin rate to **around 7.5 percent of revenue** compared to 6.6 percent in 2012.

Free cash flow

The Group has the ambition to achieve a free cash flow above **EUR 350 million**.

Earnings per share (EPS)

The Group confirms its ambitions for an EPS (adjusted, non-diluted) representing an increase of **+50 percent** compared to 2011 statutory (up +25 percent compared to 2012).

Appendix

Revenue and operating margin at constant scope and exchange rates reconciliation

<i>In EUR million</i>	FY 2012	FY 2011	% growth
Statutory revenue	8,844	6,812	+29.8%
Scope impact		1,810	
Exchange rates impact		156	
Revenue at constant scope and exchange rates	8,844	8,778	+0.8%
Operating margin	580.0	422.4	+37.3%
Scope impact		-6.5	
Exchange rates impact		9.1	
Operating margin at constant scope and exchange rates	580.0	425.0	+36.5%

Most of the scope impact related to the SIS acquisition on July 1st, 2011 and the exchange rate effect came mainly from the British pound and US dollar versus the Euro.

Performance by Service Line

<i>In EUR million</i>	Revenue			Operating Margin		Operating Margin %	
	FY 2012	FY 2011*	% growth	FY 2012	FY 2011*	FY 2012	FY 2011*
Managed Services	4,135	4,040	+2.4%	324.8	233.4	7.9%	5.8%
Systems Integration	2,136	2,186	-2.3%	104.1	57.8	4.9%	2.6%
HTTS & Specialized Businesses	1,969	1,917	+2.7%	232.7	219.2	11.8%	11.4%
Consulting & Technology Services	604	635	-5.0%	24.0	35.1	4.0%	5.5%
Corporate costs**				-105.6	-120.6	-1.2%	-1.4%
Total Group	8,844	8,778	+0.8%	580.0	425.0	6.6%	4.8%

* Constant scope and exchange rates

** Corporate costs exclude Global Delivery Lines costs allocated to the Service Lines

Managed Services:

Representing 47 percent of the Group, Managed Services **revenue** was **EUR 4,135 million**, up **+2.4 percent** compared to 2011. A positive dynamic lifted revenue in North America (+7.7 percent) and in the United-Kingdom (+5.7 percent) with the start of new large contracts won in the first half of the year. Benelux and Iberia showed good resilience, respectively at -1.8 and -1.9 percent. The other main Business Units achieved a growth around +2 percent.

Operating margin was **EUR 324.8 million**, representing **7.9 percent** of revenue, an increase of more than +200 basis points compared to 2011. The Service Line continued to industrialize its activity through Global Factories and executed the TOP² Program as planned. Main operating margin increases came from Germany, North America, Central & Eastern Europe and North & South West Europe.

Systems Integration:

In Systems Integration, **revenue** declined by **-2.3 percent** compared to 2011 at **EUR 2,136 million**. The Service Line represented 24 percent of the total Group revenue. The United-Kingdom and North America recorded strong performance with double digit growth. Most of the other main Group Business Units reported a revenue decline, more particularly in Telecom and in Energy & Utilities.

Operating margin was **EUR 104.1 million**, representing **4.9 percent of revenue**, an improvement of +220 basis points compared to 2011, driven by the completion of the integration and transformation program in Germany and in the United-Kingdom. The streamlining of the organization combined with tight cost control, continued to bring margin improvement in Spain and Benelux. France continued its recovery plan, which has been reinforced by the new Systems Integration management appointed in France in September 2012. Global Delivery through offshoring programs in India increased the level of profitability together with the TOP² and Lean programs. The operating margin included development costs in the New Business Ventures: Canopy, blueKiwi and Yunano.

In Systems Integration, utilization rate was stable compared to 2011 at 78 percent.

Hi-Tech Transactional Services (HTTS) & Specialized Businesses:

Hi-Tech Transactional Services & Specialized Businesses (HTTS & SB) revenue represented 22 percent of the Group at **EUR 1,969 million, up +2.7 percent** year-on-year. HTTS business grew by +4.1 percent to EUR 1,216 million, mainly driven by e-CS transaction activities, at +9.3 percent. Payments increased by +1.7 percent with increased volumes in Belgium in the Acquiring business and higher terminal sales in Belgium and Germany. Specialized Businesses slightly grew by +0.6 percent to EUR 753 million, BPO activities (Financial and Medical) compensated for less business in Smart Energy and Civil & National Security.

Operating margin reached **EUR 232.7 million**, representing **11.8 percent** compared to 11.4 percent last year. The margin improvement came from HTTS which reported 15.7 percent operating margin (+90 basis points) thanks to the recovery in the UK in the governmental project. Financial BPO remained a low margin contributor and in Medical BPO, higher volumes were more than offset by bid costs in light of the tender won on the new DWP PIP contract and transition costs which came in the second half of the year. In the other Specialized Businesses, a solid performance in Switzerland coming from growing revenue in the Civil & National Security business partially compensated for three difficult projects which hit the profitability of Atos Worldgrid during the first semester of 2012 and which were resolved or settled by end of June 2012.

Consulting & Technology Services:

Consulting & Technology Services represented 7 percent of the Group with revenue at **EUR 604 million**, down **-5.0 percent** compared to 2011.

In Consulting, France and the United-Kingdom posted strong organic growth which was achieved by onboarding significant new contracts. Weak market conditions continued in the Netherlands, for Manufacturing and Financial sectors, and in Iberia for Public and Financial sectors.

In Technology Services, France grew thanks to a sustained activity in the Public sector, while the other geographies declined, caused by weak markets in the Netherlands (mostly in Manufacturing and Financial sectors) and Spain (mostly in Public and Financial sectors).

Operating margin declined to **EUR 24.0 million, representing 4.0 percent of revenue**. After the first semester of 2012 where the operating margin retreated, the Service Line slightly improved its performance year-on-year during the second half thanks to enhanced workforce management and costs base optimization. Main contributors to operating margin were the UK in Consulting, and France and Benelux in Technology Services.

In Consulting, utilization rate improved to 72 percent compared to 70 percent in 2011 and slightly declined to 83 percent for Technology Services compared to 84 percent in 2011.

Performance by Business Unit

In EUR million	Revenue			Operating Margin		Operating Margin %	
	FY 2012	FY 2011*	% growth	FY 2012	FY 2011*	FY 2012	FY 2011*
Germany	1,690	1,680	+0.6%	138.7	93.4	8.2%	5.6%
United-Kingdom & Ireland	1,679	1,562	+7.5%	116.7	95.0	7.0%	6.1%
France	980	999	-2.0%	14.8	20.4	1.5%	2.0%
Benelux	978	1,024	-4.5%	78.4	73.6	8.0%	7.2%
Atos Worldline	927	908	+2.2%	162.1	157.5	17.5%	17.3%
North America	588	540	+8.9%	47.2	28.6	8.0%	5.3%
Central & Eastern Europe	568	576	-1.3%	60.4	37.2	10.6%	6.5%
North & South West Europe	407	414	-1.6%	32.2	5.8	7.9%	1.4%
Iberia	317	345	-8.2%	8.8	5.9	2.8%	1.7%
Other BUs	709	730	-2.8%	45.9	46.7	6.5%	6.4%
Global structures**				-125.0	-139.2	-1.4%	-1.6%
Total Group	8,844	8,778	+0.8%	580.0	425.0	6.6%	4.8%

* Constant scope and exchange rates

** Global structures include the Global Delivery Lines costs not allocated to the Group Business Unit and the Corporates costs

FY 2012 performance by Market

In EUR million	Revenue		
	FY 2012	FY 2011*	% growth
Manufacturing, Retail & Services	2,930	2,900	+1.0%
Public sector, Healthcare & Transport	2,348	2,259	+4.0%
Financial Services	1,666	1,705	-2.3%
Telecoms, Media & Technology	1,265	1,281	-1.2%
Energy & Utilities	635	634	+0.2%
Total Group	8,844	8,778	+0.8%

* Constant scope and exchange rates

Conference call

Today, February 21st, 2013, Chairman and CEO Thierry Breton, along with Senior Executive Vice President in charge of Global Functions Gilles Grapinet, Senior Executive Vice President in charge of Global Operations Charles Dehelly, and Chief Financial Officer Michel-Alain Proch will comment on Atos' 2012 annual results 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 928096
UK dial-in:	+44 207 162 00 77	code 928096
US dial-in:	+1 334 323 6201	code 928096

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

A conference call in French for **media** is organized today, February 21st, 2013, at 10:00 am (CET, Paris) with Thierry Breton, Chairman and CEO. Access details (audio and webcast) and the presentation will be available on our website at: atos.net, in the Press section, on February 21st, 2013, from 09:45 am (CET, Paris).

Forthcoming events

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 2012 revenue of EUR 8.8 billion and 76,400 employees in 47 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 sector, Healthcare & 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 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

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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 Marchés Financiers (AMF) on April 5th, 2012 under the registration number: D12-0288.

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** (USA and Canada), **North & South West Europe** (N&SW Europe: Switzerland, Italy, Denmark, Finland, and Sweden), **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. 2013 objectives have to be considered with exchange rates as of 31 December 2012.

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

The Board of Directors of Atos S.E., chaired by Thierry Breton, convened in Bezons on February 20th, 2013 to review and authorize for issue the accounts of Atos Group for the year ended December 31st, 2012. Audit procedures on the consolidated financial statements have been performed. The relevant audit report certifying them will be issued after completion of the specific verifications required by French law.