

First half 2013 results

Operating margin strongly improved by +15 percent: EUR 279 million at 6.5 percent
 Free cash flow: EUR 158 million, up +24 percent; net cash: EUR 359 million
 Revenue: EUR 4,290 million, -0.6 percent; stable in the second quarter
 Net income Group share: EUR 116 million, up +14 percent
 Book to bill ratio at 106 percent led by strong order entry in the second quarter

Carve-out of Atos payment activities completed

All 2013 objectives confirmed

Paris, July 24th, 2013 - Atos, an international information technology services company, today announced its 2013 first half results.

Revenue was **EUR 4,290 million**, representing a limited organic decline of **-0.6 percent**. The four largest Business Units were Germany and the UK with 19 percent of total revenue each, Benelux & The Nordics with 13 percent and France with 12 percent. **Operating margin** was **EUR 279.0 million**, representing **6.5 percent of revenue** compared to 5.6 percent in the first semester of 2012. The Group generated **EUR 158 million of free cash flow** in the first semester of 2013. **Net cash position** was **EUR 359 million** at the end of June 2013. **Book to bill ratio** reached **106 percent** thanks to a strong commercial activity in the second quarter of year at 118 percent. **Net income Group share** stood at **EUR 116 million** compared to EUR 102 million in the first half of 2012.

Thierry Breton, Chairman and CEO at Atos said: "As a result of a continued solid execution of our strategy, we achieved our targets in H1 2013. The performance was driven by our transformation initiatives, leading to an operating margin improvement by +90 basis points year-on-year. We continued investing in innovations in key areas such as smart mobility solutions, Cloud, enterprise social network, and of course payments. The objective is to reach new clients and to expand into new markets. As planned, we completed the carve-out of Atos payment activities with Worldline, our new subsidiary fully up and running. Finally, in an environment that remains volatile, we confirm our guidance for 2013."

Performance by Service Line

Revenue was EUR 4,290 million, -0.6 percent year-on-year, at constant scope and exchange rates. The activity was overall stable and the Group concentrated on operating margin increase which materialized mainly in Managed Services (+95 basis points) and in Systems Integration (+160 basis points).

In EUR million	Revenue			Operating Margin		Operating Margin %	
	H1 2013	H1 2012*	% growth	H1 2013	H1 2012*	H1 2013	H1 2012*
Managed Services	1,998	1,997	+0.0%	162.5	143.5	8.1%	7.2%
Systems Integration	1,133	1,142	-0.8%	55.0	37.2	4.9%	3.3%
HTTS & Specialized Businesses	844	833	+1.4%	99.4	104.9	11.8%	12.6%
of which HTTS	592	561	+5.6%	93.8	87.8	15.8%	15.7%
Consulting & Technology Services	314	343	-8.5%	13.9	14.2	4.4%	4.1%
Corporate costs**				-51.8	-56.1	-1.2%	-1.3%
Total Group	4,290	4,316	-0.6%	279.0	243.6	6.5%	5.6%

* 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 1,998 million**, stable compared to the first semester of 2012. The positive dynamic in North America with the McGraw-Hill contract lifted revenue by +19.1 percent. Large contracts such as Nuclear Decommissioning Authority and EDF Energy in the UK materialized in +8.7 percent growth. Revenue increase in the US and in the UK compensated the comparison basis effect with Siemens and the Neckermann insolvency in Germany, and a lower activity in France. Revenue slightly grew in Benelux & The Nordics thanks to the ramp-up of the PostNord contract.

Operating margin was **EUR 162.5 million**, representing **8.1 percent** of revenue. Thanks to the execution as planned of the transformation program including the reduction of indirect costs and the continuous industrialization in Global Factories, operating margin improved by +95 basis points. Main increases were reported in Benelux & Nordics and in the UK. Profitability in Germany was impacted by the top line effect mentioned above.

Systems Integration:

In Systems Integration, **revenue** declined by **-0.8 percent** year-on-year at **EUR 1,133 million**. The Service Line represented 26 percent of the total Group revenue. Revenue grew in Germany thanks to the new contract with NSN, in Central & Eastern Europe for the Asian martial arts games in Ashkhabad, and in the UK on one specific project in the media sector. This offset the continuing weak demand in Europe and more particularly in France in the Public Sector and in Financial Services.

Utilization rate was 81 percent in the first semester of 2013.

Operating margin was **EUR 55.0 million**, representing **4.9 percent of revenue**, an increase of +160 basis points compared to the first half of 2012. Margin improvement was primarily driven by increased volumes in offshore delivery (NSN, McGraw-Hill, E-Plus) combined with cost base adjustments and higher revenue in some geographies such as the UK.

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

Hi-Tech Transactional Services & Specialized Businesses (HTTS & SB) revenue represented 20 percent of the Group at **EUR 844 million, up +1.4 percent** compared to the first half of 2012. Growth came from HTTS, up by +5.6 percent landing at EUR 592 million.

Main contributor was eCS business with an organic growth of +10.2 percent thanks to increasing activities in e-Ticketing in the UK and in CRM & Loyalty in France. BPO was down by -3.3 percent impacted by Medical BPO. Other Specialized Businesses were impacted by the ramp-down of Civil & National Security projects in Central & Eastern Europe.

Operating margin reached **EUR 99.4 million**, representing **11.8 percent** compared to 12.6 percent in the first half of 2012 due to EUR -8.0 million set-up costs on the new large Medical BPO contract where revenue will only start in the second semester this year. As a result, operating margin in BPO was down by EUR -9.9 million compared year-on-year. Finally, HTTS operating margin improved by +20 basis points at 15.8 percent of revenue.

Consulting & Technology Services:

Consulting & Technology Services represented 7 percent of the Group with revenue at **EUR 314 million**, down **-8.5 percent** compared to the first semester of 2012. Except for consulting in the UK which strongly grew, led by new projects and in Germany with Siemens, the rest of the activity reported declining volumes, more particularly in the Netherlands and in France.

Utilization rate was 69 percent in Consulting and 80 percent for Technology Services.

Operating margin reached **EUR 13.9 million**, improving by +30 basis points compared to the first semester of 2012 at **4.4 percent** of revenue. The Service Line enhanced workforce management and costs base optimization. Main contributors to operating margin improvement were Iberia, the UK, and Germany.

Performance by Business Unit

In EUR million	Revenue			Operating Margin		Operating Margin %	
	H1 2013	H1 2012*	% growth	H1 2013	H1 2012*	H1 2013	H1 2012*
United-Kingdom & Ireland	833	786	+6.0%	64.4	53.9	7.7%	6.9%
Germany	809	850	-4.9%	52.7	68.0	6.5%	8.0%
Benelux & The Nordics	548	566	-3.1%	49.5	37.6	9.0%	6.6%
France	514	568	-9.5%	8.0	-4.1	1.6%	-0.7%
Atos Worldline	440	423	+3.9%	76.2	76.3	17.3%	18.0%
Central & Eastern Europe	420	418	+0.3%	31.6	38.2	7.5%	9.1%
North America	312	272	+14.6%	24.5	23.0	7.9%	8.5%
Iberia	164	181	-9.7%	3.5	3.6	2.1%	2.0%
Other BUs	251	251	+0.0%	22.6	16.8	9.0%	6.7%
Global structures**				-54.2	-69.5	-1.3%	-1.6%
Total Group	4,290	4,316	-0.6%	279.0	243.6	6.5%	5.6%

* Constant scope and exchange rates

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

By geography, the **revenue** performance was mostly driven by North America (+14.6 percent) and the United Kingdom (+6.0 percent), thanks to the contribution of the new large contracts and also by the continued increase of Atos Worldline (+3.9 percent) which accelerated in Q2 at +5.1 percent compared to +2.6 percent in Q1. Germany was almost flat excluding the base effect from the Siemens transition contract invoiced in H1 2012. Benelux & The Nordics limited its decline at -3.1 percent while Iberia still suffers from the current economic environment. The activity in France remained challenging this semester, also impacted by less working days.

Operating margin was up +14.5 percent compared to the same period last year. The improvement mainly came from the UK, the US, and Benelux & The Nordics.

Commercial activity

The Group **order entry** in the first half of 2013 totaled **EUR 4,557 million**, representing a **book to bill ratio** of **106 percent**.

A strong commercial activity in the second quarter materialized in the NS&I contract renewal in financial BPO in the UK. New contracts were also signed, among others: in Systems Integration with a multinational document management corporation in the UK and in Managed Services with a large consumer electronics company in the Netherlands, EDF Transport in France, the American College Testing and City of Indianapolis in the US.

During the first semester of 2013, **Book to bill** was 110 percent for recurring businesses (Managed Services and HTTS & Specialized Businesses) and 98 percent in the cyclical activities (Systems Integration and Consulting & Technology Services).

The **full backlog** was **EUR 15.5 billion** at the end of June 2013, representing 1.8 year of revenue, compared to EUR 15.3 billion at the end of 2012 at constant exchange rates.

The **full qualified pipeline** on June 30th, 2013 was at **EUR 5.0 billion** compared to EUR 5.3 billion at the end of 2012 which included the large NS&I contract renewed in May 2013.

Operating income and net income

Operating income for the first half of the year was **EUR 192 million** as a result of the following items:

Expenses for **staff reorganization** were **EUR 48 million** as a consequence of the Group workforce adaptation and the streamlining of middle management layers, especially in Benelux, Iberia and Corporate.

Costs for **rationalization** were **EUR 21 million**, and resulted from the closure of office premises and datacenters consolidation, mainly in Germany and in Latin America further to the TOP Program, and in Benelux linked to the restructuring plan.

EUR 10 million were recorded for remaining **integration costs** representing the migration and the standardization of internal IT platforms following the acquisition of SIS, compared to EUR 28 million in the first semester of 2012.

In the first semester of 2013, **EUR 22 million** was recorded as **amortization** of the SIS intangible assets and recognized as part of the Purchase Price Allocation (PPA).

Financial result was a charge of **EUR 23 million**. Half of this amount was due to the convertible bonds issued in 2009 and in 2011.

Total **tax charge**, including current and deferred taxes, was **EUR 53 million**, representing an **effective tax rate** of **31.6 percent**.

Therefore, **net income Group share** reached **EUR 116 million**, up +14 percent compared to the first half of 2012.

Net cash and free cash flow

Group **net cash position** as of June 30th, 2013 was **EUR 359 million**, compared to EUR 232 million at December 31st, 2012.

OMDA was **EUR 381 million** representing 9 percent of revenue, (compared to EUR 345 million in the first half of 2012) including EUR 33 million related to losses on former SIS contracts funded by Siemens, fully in line with the expected EUR 70 million for the full year 2013.

Staff **reorganization** was **EUR 60 million** cash out and **rationalization** of premises represented **EUR 27 million**, as part of the real estate reduction plan.

Cash out for **IT integration costs** in the first half of 2013 amounted to **EUR 10 million**.

In the first semester of 2013, **capital expenditure** totaled **EUR 170 million**, representing **4 percent** of revenue as expected. This amount included investments made for the launch of new businesses such as Cloud for Canopy, enterprise social network or CRM.

Thanks to continuous strong actions in all the Business Units, **working capital requirement** decreased by **EUR 63 million** compared to the beginning of the year.

Finally, **tax paid** was **EUR 37 million** and **financial costs** were **EUR 17 million**.

The cash out resulting from the option for the payment in cash of **dividend** on 2012 results was **EUR 17 million**.

Excluding exchange rates translation differences, **free cash flow** amounted to **EUR 158 million** compared to EUR 127 million in the first half last year.

Human Resources

The **total number of Group employees** was **77,105** at the end of June 2013.

The number of direct employees was 71,016, representing 92.1 percent of the total headcount, compared to 91.5 percent at the end of 2012 and 91.0 one year earlier, reflecting the restructuring program on indirect staff which decreased by more than 2,000 staff in the last two years.

In the first semester of 2013, 5,756 new employees were recruited of which 61 percent in the emerging countries which represent now 27 percent of total staff. Attrition declined to below 10 percent.

The Group continued actions to reduce the number of external subcontractors, which were 6,534 at the end of June 2013, decreased by -1,100 compared to one year before.

Carve-out of Atos payment activities completed

Atos confirms the **completion of the carve-out process** announced last February of its global payment and transactional activities. Operational since July 1st, Worldline, an Atos company, combines in one entity the payment and transactional activities of Atos to form the European leader in these domains, operating under the following brand:



With **2012 pro forma revenues of EUR 1,068 million**, Worldline will operate under its own brand in **17 countries** with a global reach and offices across Asia and Latin America. Worldline employs over **7,100 employees** worldwide.

In the first semester of 2013, Worldline **revenue** reached **EUR 548 million**, up **+5.4 percent** year-on-year. **Operating margin** was **EUR 80.0 million**, representing **14.6 percent** of revenue, and an increase of +40 basis points compared to the first half of 2012. **Free cash flow** was **EUR 62 million**.

Thierry Breton, Chairman and CEO of Atos and Worldline Chairman said: *"We are proud to have launched Worldline operations, the Atos subsidiary for e-payment transactional services. It is a new step forward that will give us the strategic and financial flexibility to expand Worldline's product offerings across the entire transaction value chain and develop strong alliances and partnerships worldwide"*.

Gilles Grapinet, Atos Senior Executive Vice President Global functions, was appointed Chief Executive Officer of Worldline; Marc-Henri Desportes, former Executive Vice President of Hi-Tech Transactional Services & Specialized Businesses was appointed General Manager of Worldline.

2013 Objectives

The Group confirms all its objectives for 2013 as stated in the February 21st, 2013 release, i.e.:

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

As a result of the decision to carve-out the payment activities, the adaptation of the Atos organization led to the following changes:

- The GBU North & South West Europe was split with i) Nordic countries transferred to "Benelux & The Nordics" and ii) Switzerland and Italy joined "Central & Eastern Europe". This decision of reducing the number of GBUs reflected the objective to optimize the operational efficiency and to decrease indirect costs.
- The entity AWFM (Atos Worldline Financial Markets), which was already under the new France Management was transferred to the GBU France. This was in line with the carve-out of Atos Payment activities. In terms of Service Line, AWFM is part of Systems Integration.
- The entity Atos Worldgrid is managed and reported as a global business within the Systems Integration Service Line. As such, Atos Worldgrid local entities (France, Italy, Spain, Germany and Asia Pacific) are reported in the corresponding GBUs.
- Also in order to increase efficiency, Global Markets E&U (Energy & Utilities) and TMT (Telecoms, Media & Technology) were merged within "Telco, Media & Utilities" (TM&U).

These organizational changes have been reflected into the Business Unit, Service Line, and Global Market reporting both in the first semester of 2013 and 2012 for comparative purposes.

<i>In EUR million</i>	H1 2013	H1 2012	% growth
Statutory revenue	4,290	4,366	-1.7%
Scope impact		-5	
Exchange rates impact		-45	
Revenue at constant scope and exchange rates	4,290	4,316	-0.6%
Operating margin	279.0	248.8	+12.2%
Scope impact		-2.2	
Exchange rates impact		-2.9	
Operating margin at constant scope and exchange rates	279.0	243.6	+14.5%

Scope effect mainly resulted from acquisitions of Daesa (September 2012), MSL (May 2012), Quality Equipment (June 2012), and the disposal of SYNSiS (June 2012).

Exchange rates effect came in the first semester from the decrease of the British Pound (-3.2 percent), the Argentine Peso (-15.2 percent) and the Brazilian Real (-9.5 percent) versus the Euro.

Performance by Market

<i>In EUR million</i>	Revenue		
	H1 2013	H1 2012*	% growth
Manufacturing, Retail & Services	1,354	1,442	-6.0%
Public sector, Healthcare & Transport	1,140	1,143	-0.3%
Financial Services	798	824	-3.2%
Telco, Media & Utilities	998	907	+10.0%
Total Group	4,290	4,316	-0.6%

* Constant scope and exchange rates

Conference call

Today, July 24th, 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' first half 2013 results and answer questions from the financial community during a **conference call** in English starting at 6:30 pm (CET - Paris).

The audio conference numbers are:

France dial-in:	+33 1 70 99 32 12	code 934310
UK dial-in:	+44 207 162 01 77	code 934310
US dial-in:	+1 334 323 6203	code 934310

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

The 2013 half year financial report including the operational review, the financial review, and the interim condensed consolidated financial statements will be available tomorrow, Thursday 25th July, 2013 on our website at: atos.net, in the Investors section.

Forthcoming event

24 October 2013 Third quarter 2013 Revenue

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About Atos

Atos SE (Societas europaea) is an international information technology services company with annual 2012 revenue of EUR 8.8 billion and 77,000 employees in 47 countries. Serving a global client base, it delivers IT services in 3 domains, Consulting & Technology Services, Systems Integration and Managed Services & BPO, and transactional services through Worldline. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing, Retail & Services; Public sector, Healthcare & Transports; Financial Services; Telco, Media & 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 NYSE Euronext Paris market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Worldline and Atos Worldgrid. For more information, visit: 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 2012 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 3rd, 2013 under the registration number: D13-0271.

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

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.

Worldline figures are best estimates made by the company during the carve-out process and are unaudited.