Press Release

First quarter 2014 revenue

Q1 revenue performance in line with expectations

Revenue: € 2,064 million; –1.8% organically
Book to bill ratio: Q1 at 81%; Q2 targeted at 120% to 130%
Backlog: € 14.7 billion
Free cash flow: € 30 million
Net cash: € 830 million after € 102 million of share buy-back

All 2014 objectives confirmed

Worldline fully mobilized to complete its IPO[1] on schedule

Paris, April 17th, 2014 - Atos, an international information technology services company, today announced its revenue for the first quarter of 2014. **Revenue** was **€ 2,064 million**, representing an **organic evolution** of **-1.8%** compared to the first quarter of 2013. **Order entry** was **€ 1,671 million** leading to a **book to bill ratio** of **81%**. **Net cash position** stood at **€ 830 million** at the end of March 2014.

Thierry Breton, Chairman and CEO of Atos said: *"During the first quarter of 2014, revenue came as expected in the anticipated market conditions. The Group continues to focus on delivering its 2014 objectives for revenue, operating margin, and free cash flow and the teams are working to conclude large or very large outsourcing deals. We are accelerating our mobilization on external growth as part as the three-year 2016 Ambition. Finally, I am impressed by the professionalism and the dedication of Worldline's management team in order to complete the IPO[1] as planned while managing the day-to-day operations."*

Q1 2014 revenue performance by Service Line

In € million	Q1 2014	Q1 2013*	% growth
Managed Services	1,075	1,101	-2.4%
Consulting & Systems Integration	724	738	-1.9%
Worldline	265	262	+1.0%
TOTAL GROUP	**2,064**	**2,102**	**-1.8%**

** Constant scope and exchange rates*

Representing 52% of the Group, **Managed Services** revenue which includes BPO was **€ 1,075 million**, down **-2.4%** compared to the first quarter of 2013. Most of the large contracts signed in 2012 and in 2013 include significant Cloud Services which are growing strongly. This positive momentum did not fully compensate for the slight decline in traditional IT Services. Revenue increased both in Financial Services and Public & Health respectively by +7.5% and +2.4%. Telcos, Media & Utilities was down by -2.0% resulting from lower volumes with KPN in the Netherlands and the ramp-down of Gefco in France. Most of the decline in the Service Line revenue came from Manufacturing, Retail & Transportation and more particularly from Siemens as a result of the contractual price reduction together with anticipated lower volumes. BPO grew in Financial Services thanks to higher activity with NS&I, and in Medical BPO despite the WCA contract settlement with DWP thanks to the ramp-up of the new PIP contract.

In **Consulting & Systems Integration**, revenue reached **€ 724 million** representing 35% of the Group down **-1.9%** compared to the first quarter of 2013. The Service Line grew both in Public & Health and Manufacturing, Retail & Transportation respectively by +3.1% and +0.8%. In Telcos, Media & Utilities, the decline was mainly attributable to the ramp-down of one contract with KPN. Financial Services was impacted by the base effect with AIG in North America and lower volumes in France. Consulting was up +8.0% on the back of stronger activity in the United Kingdom. In term of practices, Application Management grew +3.1% and each geography reported growth in this practice except the Netherlands which was impacted by the ramp-down of one contract with KPN.

[1] *Depending on market conditions and after consultation of the appropriate employee representative organization*

Worldline revenue represented 13% of the Group at **€ 265 million**, up **+1.0**% year-on-year. Merchant Services & Terminals were up +1.2% to € 89 million, thanks to higher transaction volumes which more than compensated for the price reduction granted in commercial acquiring in Belgium and lower sales of terminals. Financial Processing & Software Licensing grew by +3.0% to € 94 million. Price concessions in Belgium were offset by increasing volumes in issuing processing in Belgium and in France as well as acquiring processing in Germany. Mobility & e-Transactional Services was down by -1.5% to € 82 million fully coming from eGovernment activity in the United Kingdom, more particularly on one specific contract, and in France.

Q1 2014 revenue performance by Business Unit

In € million	**Q1 2014**	**Q1 2013***	***% growth***
United Kingdom & Ireland	396	390	*+1.6%*
Germany	389	400	*-2.7%*
France	257	263	*-2.1%*
Benelux & The Nordics	255	279	*-8.5%*
Central & Eastern Europe	184	186	*-1.0%*
North America	143	147	*-3.1%*
Iberia	71	74	*-4.5%*
Other BUs	104	100	*+3.5%*
Total IT Services	**1,799**	**1,839**	***-2.2%***
Worldline	**265**	**262**	***+1.0%***
TOTAL GROUP	**2,064**	**2,102**	***-1.8%***

** Constant scope and exchange rates*

During the first quarter of 2014, revenue grew by **+1.6%** in **United Kingdom & Ireland**. Consulting & Systems Integration posted +1.6% organic growth, benefiting from strong Consulting activity in Public & Health and in Manufacturing, Retail & Transportation, which compensated for lower revenue in Systems Integration. Managed Services increased by +1.6% mainly thanks to BPO activity, up by +4.7% due to higher volumes with NS&I. In Medical BPO with DWP, the ramp-up of the PIP contract offset the revenue decrease on WCA. The rest of Managed Services was flat with sizeable volume increases with several existing customers in the Public and Media sectors compensating for the base effect linked to project revenue of new contracts delivered in the first half of 2013.

Revenue in **Germany** was down by **-2.7%**. The contribution of the Application Management contract with NSN enabled Consulting & Systems Integration to post +5.0% organic growth. Revenue in Managed Services declined due to volume or price effects with large clients in Manufacturing such as Siemens and Bayer partly offset by a new contracts in Telcos and in Manufacturing. As planned, the Business Unit strongly reduced the level of loss-making contracts coming from SIS which also impacted revenue, mainly in Managed Services, compared to the first quarter of 2013.

In **France**, revenue decline was limited to **-2.1%**, confirming the turnaround. In Managed Services, a Cloud services contract with one large bank did not fully compensate for the ramp-down of one large contract in Manufacturing, Retail & Transportation as well as scope reductions with two customers in the Energy sector. Consulting & Systems Integration benefited from increased business in Manufacturing, Retail & Transportations which partially offset the decline in Financial Services compared to the first quarter of 2013, when it benefited from license sales which were not repeated in this year.

Benelux & The Nordics was down **-8.5%** as anticipated. The Business Unit faced a slowdown in cyclical activities in the Netherlands and in Managed Services in The Nordics. In Consulting & Systems Integration, the decline was mainly attributable to lower volumes due to the ramp-down of one contract with KPN. Managed Services was impacted by the completion of the transition phase of the PostNord contract, now in run mode, and the termination of one contract in Manufacturing. In Benelux, the ramp-up of several contracts coupled with a good level of fertilization has allowed to compensate for price pressure on other contracts.

In **Central & Eastern Europe** revenue was almost stable despite lower volumes with Siemens as anticipated. This was compensated for by additional volumes in Managed Services in Turkey and in Croatia. Consulting & Systems Integration continued to benefit in Turkey from the contribution of the Asian Martial Arts Games.

North America revenue in the first quarter of 2014 was **-3.1%**. Managed Services grew on the back of incremental revenue from McGraw-Hill and with new customers in the Public sector whose contracts include Cloud services. This growth was offset by not renewed contracts in Financial Services. In Systems Integration, revenue was down compared to the first quarter of 2013 when the AIG Data center migration project was completed and the McGraw-Hill platform separation project was being delivered.

The activity remained challenging in **Iberia**, down -**4.5%** in line with expectations but supported by an encouraging 112% book-to-bill ratio. Business recovered in Public sector growing by +6.4% and in Financial Services which was stable. The Business Unit faced a reduction of IT spending from one large customer in Telco and another one in Manufacturing.

Finally, revenue growth in **Other Business Units** (**+3.5%**) mainly came from increased activities in Asia-Pacific (particularly Managed Services in China), and in India, Middle-East & Africa. The Major Events unit benefited from the successful delivery of the IT Services for the Sochi Winter Olympic Games.

Commercial activity

The Group **order entries** in the first quarter of 2014 totaled **€ 1,671 million**, representing a **book to bill ratio** of **81%**. Book to bill was 92% in Consulting & Systems Integration, mainly led by UK & Ireland, Central & Eastern Europe, and Iberia. Book to bill was 79% in Managed Services excluding BPO, impacted by slow decision making processes at some customer organizations where signings were postponed. Book to bill was 83% for Worldline.

During the first quarter, the Group signed two large Managed Services contracts in France in the Energy sector, with EDF and GDF Suez. In Systems Integration, the Group signed new contracts with BMW in Germany and with two large banks in Spain. The Group also secured future revenue with the renewal of several contracts including a large media company in the United Kingdom until 2017 and with the European Commission.

In payments, Worldline completed several contract signatures such as acquiring business with ING in Belgium, an extension with Volkswagen Bank in Germany and with the retail group "Les Mousquetaires" for private label cards in France. Worldline also extended its contract with "Groupe Chèque Déjeuner" in France.

On March 31st, 2014, the **full backlog** was strong at **€ 14.7 billion** and 1.7 year of revenue and the **full qualified pipeline** remained healthy at **€ 5.0 billion**, in the same range as at the end of 2013.

Update on the DWP Work Capability Assessment

In March 2014, the Group reached an agreement with the Department for Work and Pensions to allow it to exit from the Work Capability Assessment contract in February 2015 at the latest instead of August 2015, with a view to a new sole provider taking responsibility for delivery.

Atos will be transferring the infrastructure and employees to the new provider and will ensure consistency of service.

Atos will continue to deliver the Personal Independence Payment (PIP) assessments in Scotland, north of England, London and south of England and to deliver Work Capability Assessments on behalf of the Department for Social Development in Northern Ireland.

Net cash and free cash flow

Group **net cash position** as of March 31st, 2014 reached **€ 830 million**, compared to € 905 million on December 31st, 2013.

In Q1 2014, the Group repurchased Atos' shares for € 102 million as part of the buy-back program.

The Group **free cash flow** totaled **€ 30 million** during the first quarter of 2014 at the same level than last year.

Dividend

The Board of directors proposes to Atos SE's General Meeting to pay a dividend equal to € 0.70 per share, payable on option, in cash or in shares (subject approval at the General Meeting on May 27th, 2014). The trading date ex-dividend shall be June 2nd, 2014. The option period during which the shareholders will have the possibility to opt for the payment of the dividend in cash or in shares will start on June 2nd, 2014 and end on June 13th, 2014. The 2013 dividends will be paid in shares or in cash, as applicable, on June 24th, 2014.

Human Resources

The **total headcount** was **76,026** at the end of March 2014.

The number of direct employees at the end of March 2014 was 70,367, representing 92.6% of the total headcount, compared to 92.4% at the end of 2013 and 91.8% at the end of the first quarter on 2013.

In the first quarter of 2014, 2,452 new employees were recruited of which 60% in emerging countries which represent more than 28% of total staff. Offshore headcount increased by +20% compared to the end of March 2013. 55% were located in India, mainly for Systems Integration, and 25% in Central & Eastern Europe, mainly for Managed Services.

Attrition during the first quarter was 9.3% at Group level of which 15.5% in emerging countries.

2014 objectives

The Group confirms all its objectives for 2014 as stated in the February 19th, 2014 release, i.e.:

Revenue

The Group expects to **positively grow** compared to 2013.

Operating margin

The Group has the objective to continue improving its operating margin rate targeting **7.5% to 8.0%** of revenue.

Free cash flow

The Group expects to achieve a free cash flow **above 2013** level, in line with 2016 ambition.

Appendix

Revenue at constant scope and exchange rates reconciliation

In € million	**Q1 2014**	**Q1 2013**	***% growth***
Statutory revenue	**2,064**	**2,117**	***-2.5%***
Scope effect		2	
Exchange rates effect		-18	
Revenue at constant scope and exchange rates	**2,064**	**2,102**	***-1.8%***

Scope effect resulted from the acquisition of WindowLogic (Asia-Pacific, July 2013) and the disposal of Atos Formation (France, March 2013) and Metrum (The Netherlands, January 2014).

Exchange rates effect resulted from the Argentine peso (-35.5%), the Brazilian real (-18.7%) and the US dollar (-3.4%) depreciating versus the euro and from the British pound strengthening versus the euro (+2.8%).

Q1 2014 revenue performance by Market

In € million	**Q1 2014**	**Q1 2013***	***% growth***
Manufacturing, Retail & Transportation	732	772	*-5.2%*
Public & Health	461	449	*+2.5%*
Telcos, Media & Utilities	469	485	*-3.2%*
Financial Services	402	395	*+1.6%*
TOTAL GROUP	**2,064**	**2,102**	***-1.8%***

** Constant scope and exchange rates*

Q1 2014 revenue performance of worldline

In € million	**Q1 2014**	**Q1 2013***	***% growth***
Merchant Services & Terminals	89	88	*+1.2%*
Financial Processing & Software	94	92	*+3.0%*
Mobility & e-Transactional Services	82	83	*-1.5%*
Total Worldline	**265**	**262**	***+1.0%***

** at constant scope and exchange rates*

Conference call

Today, April 17th, 2014, Senior Executive Vice President in charge of Global Functions Gilles Grapinet and Chief Financial Officer Michel-Alain Proch will comment on Atos' first quarter 2014 revenue 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 943830
	UK dial-in:	+44 207 162 00 77	code 943830
	US dial-in:	+1 334 323 6201	code 943830

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

Forthcoming events

27 May 2014	Annual General Meeting
29 July 2014	First half 2014 Results
24 October 2014	Third quarter 2014 Revenue

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About Atos

Atos SE (Societas Europaea) is an international information technology services company with 2013 annual revenue of € 8.6 billion and 76,300 employees in 52 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 & Transportation; Public & Health; Financial Services; Telcos, 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 & 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 2013 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 2nd, 2014 under the registration number: D14-0272.

Business Units include **Germany**, **France**, **United Kingdom & Ireland**, **Benelux & The Nordics** (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), **Worldline**, **Central & Eastern Europe** (CEE: Austria, Bulgaria, Croatia, Serbia, Poland, Czech Republic, Russia, Romania, Slovakia, Hungary, Switzerland, Italy, and Turkey), **North America** (USA and Canada), **Iberia** (Spain, Portugal, and Andorra), 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, New Zealand, and Australia), India, Middle East (UAE, Qatar, and Saudi Arabia), Morocco, South Africa, and Cloud & Enterprise Software.

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

Worldline pro forma revenue figures are best estimates made by the company and net of any transaction with other Atos Service Lines. As a result, Worldline **standalone** first quarter revenue figure may differ very slightly.