

Third quarter of 2017

Pursuing solid growth in all Divisions

Revenue at € 3,002 million
+10.9% at constant exchange rates
+2.5% organically

Order entry at € 2,892 million
Book to bill ratio at 96%

All 2017 objectives confirmed

Paris, October 24, 2017 - Atos, a global leader in digital transformation, today announces the revenue of its third quarter of 2017.

With revenue at € 3,002 million up by +10.9% at constant exchange rates and +2.5% organically, the third quarter continues the trend of the first part of the year with positive growth in each of the Divisions. Order entry was € 2,892 million representing a book to bill ratio at 96%.

Thierry Breton, Chairman and CEO, said: "During the third quarter, Atos confirmed its revenue organic growth trend in all Divisions thanks to its large portfolio of innovative offerings matching our customers' expectations, particularly in hybrid cloud and digital transformation. We provided our customers with our advanced technologies such as automation, cybersecurity, cognitive solutions, artificial intelligence... In this field, I am proud of our teams and of the recent sales of our new Quantum Learning Machine in the US. The Group also continued to reinforce its technological leadership with several acquisitions in cloud orchestration, digital payments, cybersecurity, and e-health. Finally, we remain totally focused on our ongoing productivity and operational efficiency programs to deliver another year of progress in line with our 3-year plan."

Q3 2017 revenue performance by Division

In € million	Q3 2017	Q3 2016*	Organic evolution
Infrastructure & Data Management	1,712	1,697	+0.9%
Business & Platform Solutions	762	745	+2.2%
Big Data & Cybersecurity	154	135	+13.8%
Worldline	375	352	+6.4%
Total Group	3,002	2,930	+2.5%

* At constant scope and exchange rates

Representing 57% of the Group revenue in the third quarter 2017, **Infrastructure & Data Management** revenue was € 1,712 million, up +0.9% at constant scope and exchange rates. The business remained driven by a +32% growth in cloud services and by technology transformation projects. The Division continued to leverage the Digital Transformation Factory for the deployment of orchestrated hybrid cloud solutions and the reinforcement of its leadership in digital workplace. Revenue growth was fueled by France and Benelux & The Nordics in the Public sector thanks to cloud migration projects while the UK was impacted by the re-insourcing of parts of the BBC contract further to its renewal in Q2 this year. The growth of the Division was achieved despite the residual impact of Unify S&P during the quarter, primarily in North America.

Over the first nine months of 2017, Infrastructure & Data Management's revenue was € 5,301 million, up +0.9% organically.

Representing 25% of the Group in Q3 2017, **Business & Platform Solutions** revenue was € 762 million, up +2.2% at constant scope and exchange rates. The Division benefited from the acceleration of digital adoption among customers, confirming the positive trend recorded in the previous quarters. In particular, the Business & Platform Solutions teams delivered projects to expand the automation capabilities of their customers and in Industry 4.0 based on Atos Codex for large manufacturers. The Division also performed an increasing number of S/4 HANA implementation projects. During the third quarter, growth materialized more particularly in the United Kingdom, in Central & Eastern Europe, and in Middle East & Africa.

Business & Platform Solutions revenue amounted to € 2,370 million, up +2.5% organically, over the first nine months of 2017.

Revenue in **Big Data & Cybersecurity** was € 154 million in the third quarter of 2017, up +13.8% organically. The high level of revenue growth materialized mainly in Cybersecurity for new clients such as the Department of Energy & Climate Change in the United Kingdom and also thanks to an efficient cross-selling strategy to serve existing Infrastructure & Data Management customers. The Division growth was also driven by a dynamic High Performance Computing activity as well as high-speed bullion servers to process Big Data services, benefiting from the ramp up of the three key resell agreements signed in the first semester with Cisco, Dell-EMC, and HDS.

Over the first nine months of 2017, Big Data & Cybersecurity revenue was € 511 million, up +13.8% organically.

From a contributive perspective to Atos, **Worldline** revenue was € 375 million, growing by +6.4% at constant scope and exchange rates:

- Revenue for *Financial Processing*, which includes the acquired Equens business, was up +6.8% organically to € 169 million, pulled by increasing volumes and high project activity in all its businesses: Issuing processing, Acquiring processing, Digital banking, and Accounts Payments.
- *Merchant Services* revenue grew organically by +6.3% to € 128 million, driven by positive business trends in continental Europe and further to the demonetization in India.
- Revenue in *Mobility & e-Transactional Services* increased by +5.9% to € 77 million, led by the Trusted Digitization business in France and in Latin America as well as by the e-Consumer & Mobility business line, thanks to the ramp-up of projects in France and in Germany.

Over the first nine months of 2017, Worldline's revenue was € 1,131 million, up +3.6% organically.

A detailed presentation of Worldline's performance during the third quarter of 2017 revenue is available at worldline.com, in the investors section.

Q3 2017 revenue performance by Business Unit

<i>In € million</i>	Q3 2017	Q3 2016*	Organic evolution
Germany	561	552	+1.6%
North America	520	520	+0.0%
United Kingdom & Ireland	401	403	-0.7%
France	391	373	+4.9%
Benelux & The Nordics	260	261	-0.4%
Other Business Units	495	468	+5.6%
Worldline	375	352	+6.4%
Total Group	3,002	2,930	+2.5%

* At constant scope and exchange rates

Revenue growth during the third quarter of 2017 was contrasted across the Group Business Units. Indeed some Business Units were growing strongly while others were more or less stable:

- Germany pursued its steady growth thanks to the delivery of several new projects in digital workplace and in Industry 4.0 for manufacturing, automotive, and public sectors. Revenue was also positively impacted by the demand for High Performance Computing in the public sector;
- North America continued to roll-out the orchestrated hybrid cloud and digital workplace offerings to its customers despite scope reduction of some contracts in Infrastructure & Data Management. Big Data & Cybersecurity benefitted from new contracts and Business & Platform Solutions revenue grew in the third quarter;
- United Kingdom & Ireland managed to compensate for the BBC partial re-insourcing which impacted Infrastructure & Data Management. Indeed the Business & Platform Solutions activity grew in all verticals thanks to new projects in SAP HANA, in digital workplace, and in data analytics services for existing Infrastructure & Data Management customers in the private sector as well as to new clients in Public & Health. The strong revenue increase in Big Data & Cybersecurity was driven by Atos Codex and cybersecurity deals;
- The +4.9% organic growth in France mainly came from the ramp-up of hybrid cloud orchestration projects and deliveries won this year in defense, insurance, and public administration sectors, coupled with additional HPC projects and cybersecurity activities in the education and defense sectors. Codex solutions also fueled the Business Unit performance through new projects in Public & Health and in Manufacturing Retail & Transportation;
- In Benelux & The Nordics, revenue was roughly stable thanks to the continuing recovery of Infrastructure & Data Management benefiting from higher volumes and contract ramp-ups in Manufacturing, Retail &

Transportation and Public & Health;

- Other Business Units were up +5.6% thanks to the strong performance of Infrastructure & Data Management with services contracts in hybrid cloud orchestration and digital workplace for customers in the energy and telecom sectors in Italy and in Central Europe. Growth also came from Middle East & Africa thanks to Business & Platform Solutions with projects delivered in the public sector and to the sales of HPC for Big Data & Cybersecurity;
- Finally, as already explained above, Worldline performed a +6.4% revenue growth with the positive contribution from all its Business Lines.

Commercial activity

During the third quarter of 2017, the Group order entry reached € 2,892 million, representing a book to bill ratio of 96%.

Book to bill ratio reached 107% in Business & Platform Solutions and 132% in Big Data & Cybersecurity. This ratio was 87% for Infrastructure & Data Management, ahead of a Q4 which is usually a big quarter and where several large deals are expected to be signed this year. Finally book to bill ratio was at 103% for Worldline.

In Q3, new deals were signed on the 4 pillars of the Atos Digital Transformation Factory. In Infrastructure & Data Management, orchestrated hybrid cloud contracts were won with the National Police and University Medical Centres (UMCs) in the Netherlands, while digital workplace commercial activity was also dynamic with the signature of the Anglian Water contract in the UK. In Business & Platform Solutions, new large contracts were signed such as with Network Rail in the UK.

Renewals in Q3 included several contracts in Infrastructure & Data Management such as McGraw Hill Education and a US greeting cards manufacturer and retailer in the United States and MBDA in the defense sector in the UK. Business & Platform Solutions renewed its Application Management contract with Orange group. Finally, Worldline also managed to renew several significant contracts, notably with an online retailer in the public sector, and in the banking industry.

Representing 1.8 year of revenue, the full backlog at the end of September 2017 was up by +13.3% year-on-year to reach € 21.9 billion. The full qualified pipeline was € 7.3 billion at the end of September 2017, +13.7% year-on-year, representing 7.0 months of revenue.

Human resources

The total headcount of the Group was 98,692 at the end of September 2017, broadly stable compared to the end of June 2017. Excluding scope effect, it represents a -1.5% year-on-year decrease reflecting the Group hiring policy and focus on digital transformation skills, anticipating the implementation of automation. In that context, the Group also pursued the digital training and reskilling of its teams.

The total headcount included newly acquired entities: Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting and Conduent's Breakaway in the US, First Data Baltics in Worldline and imaKumo in France.

Attrition was 11.9% at Group level and 17.7% in offshore countries.

Acquisitions

The Group completed the signing and/or the closing of several acquisitions:

In payment for Worldline:

- First Data Baltics, leading financial processor in the Baltics, which provides a large range of outsourcing services to the main Baltic banking groups, and also to some banks in the wider Nordic region;
- Digital River, a Swedish company, which delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, including e-payments collecting services;
- MRL Posnet is a technology-led integrated merchant acquiring solutions provider and one of the fastest growing payment platforms in India.

2017 yearly revenue for these three companies is estimated at circa € 55 million. Together these three acquisitions will be accretive on the Group growth profile and profitability.

In North America, the Group performed the acquisition of 3 companies involved in consulting services in the Healthcare sector: Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting and Conduent's Breakaway.

2017 yearly revenue for these three companies is estimated at circa € 70 million with an operating margin rate at the Group average.

Following the successful acquisition of Engage ESM in the UK in January 2017, the Group reinforced its leading global position in ServiceNow implementation and training through the acquisition of imaKumo, a "Gold ServiceNow Partner" with circa 70 certified consultants mainly based in France.

Finally the Group agreed to acquire from Siemens its subsidiary Convergence Creators (CVC), a global multi-industry digital transformation solutions provider. CVC delivers software based solutions in the fields of communication networks and enterprise cybersecurity. After decommissioning of non-strategic activities, CVC should contribute to Atos revenue by circa € 50 million on an annual basis with a positive operating margin as early as 2018. The transaction is expected to be closed end of December 2017 and is subject to information/consultation of employee representative bodies as well as the approvals of the regulatory and antitrust authorities.

IFRS 15 implementation

As detailed in the 2017 half-year financial report, the Group identified three main potential effects on its figures following the application of IFRS 15 as of January 1st, 2018. After a deep assessment, only one of them ("Agent versus Principal" item) has a more material effect than the two others. Indeed the Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of a contract or part of it and in particular in the resale of Hardware of IT services Divisions even if the Group tends to sell more of its own Hardware following the Bull and Unify acquisitions.

As a whole, the Group estimates a circa -5% effect from IFRS 15 on 2017 revenue and a circa +50 basis points on its operating margin rate. Obviously, this is will not change operating margin and free cash flow amounts.

2017 objectives

The Group confirms all its objectives for 2017:

Revenue growth: above +10% at constant exchange rates (circa +9.5% previously), above +2% organically

Operating margin: circa 10% of revenue

Free cash flow: operating margin conversion rate to free cash flow between 55% and 58%.

Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q3 2017	Q3 2016	change
Statutory revenue	3,002	2,777	+8.1%
Exchange rates effect		-69	
Revenue at constant exchange rates	3,002	2,708	+10.9%
Scope effect		227	
Exchange rates effect on acquired/disposed perimeters		-4	
Revenue at constant scope and exchange rates	3,002	2,930	+2.5%

From Q3 2016 statutory revenue, currency exchange rates negatively contributed for a total of €-74 million, mainly coming from the American dollar and the British pound, both depreciating versus the Euro.

Scope effects on revenue amounted to €+227 million, mainly related to the positive contribution of Unify S&P (3 months), Anthelio (3 months), Equens, Paysquare, and Komerčni Banka Smartpay (3 months).

Q3 2017 revenue performance by Market

<i>In € million</i>	Q3 2017	Q3 2016*	Organic evolution
Manufacturing, Retail & Transportation	1,115	1,087	+2.6%
Public & Health	864	766	+12.9%
Telcos, Media & Utilities	493	552	-10.6%
Financial Services	530	526	+0.8%
Total Group	3,002	2,930	+2.5%

* At constant scope and exchange rates

9M YTD 2017 revenue performance by Division, Business Unit, and Market

<i>In € million</i>	9M 2017	9M 2016*	Organic evolution
Infrastructure & Data Management	5,301	5,253	+0.9%
Business & Platform Solutions	2,370	2,313	+2.5%
Big Data & Cybersecurity	511	449	+13.8%
Worldline	1,131	1,092	+3.6%
Total Group	9,313	9,107	+2.3%

* At constant scope and exchange rates

<i>In € million</i>	9M 2017	9M 2016*	Organic evolution
North America	1,682	1,661	+1.3%
Germany	1,641	1,621	+1.2%
United Kingdom & Ireland	1,281	1,255	+2.1%
France	1,239	1,220	+1.5%
Benelux & The Nordics	796	807	-1.3%
Other Business Units	1,544	1,451	+6.4%
Worldline	1,131	1,092	+3.6%
Total Group	9,313	9,107	+2.3%

* At constant scope and exchange rates

<i>In € million</i>	9M 2017	9M 2016*	Organic evolution
Manufacturing, Retail & Transportation	3,503	3,434	+2.0%
Public & Health	2,645	2,482	+6.6%
Telcos, Media & Utilities	1,509	1,594	-5.3%
Financial Services	1,655	1,596	+3.7%
Total Group	9,313	9,107	+2.3%

* At constant scope and exchange rates

Conference call

Today, Tuesday October 24, 2017, The Group will hold a **conference call** in English at 08:00 am (CET - Paris), chaired by Thierry Breton, Chairman and CEO, in order to comment on Atos' Q3 revenue and answer questions from the financial community.

You can join the webcast of the conference:

- on atos.net, in the Investors section
- by smartphones or tablets through the scan of:
- by telephone with the dial-in, 5-10 minutes prior the starting time:
 - France +33 1 76 77 22 27 code 7056818
 - UK +44 20 3427 1903 code 7056818
 - US +1212 444 0895 code 7056818



After the conference, a replay of the webcast will be available on atos.net, in the Investors section.


Forthcoming events

- February 21, 2018 FY 2017 results
- April 25, 2018 Q1 2018 revenue
- May 24, 2018 Annual General Meeting
- July 25, 2018 H1 2018 results
- October 23, 2018 Q3 2018 revenue

Contacts

Media:	Terence Zakka	+33 1 73 26 40 76 terence.zakka@atos.net
Investor Relations:	Gilles Arditti	+33 1 73 26 00 66 gilles.arditti@atos.net
	Benoit d'Amécourt	+33 1 73 26 02 27 benoit.damecourt@atos.net
	Aurélie Le Pollès	+33 1 73 26 42 35 aurelie.lepollès@atos.net

About Atos

Atos is a global leader in digital transformation with approximately 100,000 employees in 72 countries and annual revenue of around € 12 billion. European number one in Big Data, Cybersecurity, High Performance Computing and Digital Workplace, the Group provides Cloud services, Infrastructure & Data Management, Business & Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting-edge technologies, digital expertise and industry knowledge, Atos supports the digital transformation of its clients across various business sectors: Defense, Financial Services, Health, Manufacturing, Media, Energy & Utilities, Public sector, Retail, Telecommunications and Transportation. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline. Atos SE (Societas Europaea) is listed on the CAC40 Paris stock index. www.atos.net - Follow us on  @AtosFR

Disclaimers

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviors. Any forward-looking statements made in this document are statements about Atos' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos' plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. 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 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 30, 2017 under the registration number: D.17-0274. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. This document does not contain or constitute an offer of Atos' shares for sale or an invitation or inducement to invest in Atos' shares in France, the United States of America or any other jurisdiction.

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

Business Units include **North America** (NAM: USA, Canada, and Mexico), **Germany, United Kingdom & Ireland, France, Benelux & The Nordics** (BTN: Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Worldline**, and **Other Business Units** including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Romania, Serbia, Slovakia and Switzerland), Iberia (Spain and Portugal), Asia-Pacific (APAC: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (SAM: Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (MEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events, Global Cloud hub, and Global Delivery Centers.