ANNUAL REPORT 2007

Atos Origin

CONSULTING > SOLUTIONS > OUTSOURCING

Innovation drives transformation

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Atos Origin is a leading information technology services company mainly based in Europe generating annual revenues of EUR 5.8 billion and employs 50,000 people.

The Group has grown fast through acquisitions from a French base in IT outsourcing, to become a leading IT Services player with a global footprint providing a full range of Consulting, Systems Integration and Managed Operations capabilities. The Group developed a combination of local, nearshore and offshore platforms.
The Group, as part of the top IT companies in Europe, is number one in The Netherlands, number two in France. Beyond the positioning in Europe, Atos Origin has half of the size of the number one in the European market, and more than 75% of the size of the number two company. With the critical size reached for the European market, Atos Origin is one of the very key players in Europe. Every week, the Group wins deals against large international IT players.
In 2007, the Group had an acceleration of the organic growth with a higher rate in the second half compared to the first one. It is a key objective for the Group to deliver a strong organic growth over the next few years.

Atos Origin provides end-to-end delivery with an integrated operating model: design, build and operate. The Group develops Consulting, Systems Integration and Managed Operations in full synergies.
The Group's vision is to be a leading IT player focused on delivering business outcomes and delivering globally. The mission of the Group is to advance the performance of its clients by offering innovative solutions that deliver measurable business value through the integrated operating model over the long-term. Therefore the Group continues to invest in Innovation in order to be proactive with its customers.
Predominantly based in Europe, more than two thirds of the 2007 Group's revenues are generated from recurrent applications management and infrastructure outsourcing contracts.
In 2007 the Group developed its strategy to boost performance for operational excellence and global delivery footprint.

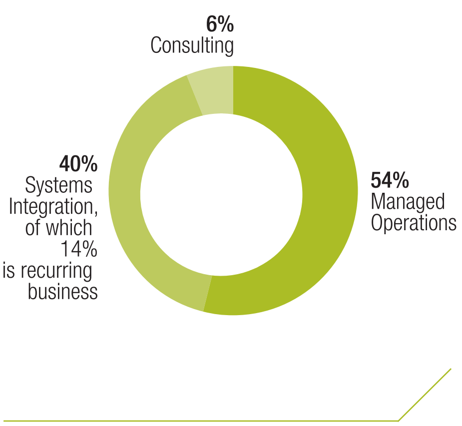
In 2007, Management's priority was to execute the 303 transformation plan and to renew with organic growth close to the market, to improve profitability, and to review the portfolio of activities. As a result, agreements to dispose of the Italian operations and of exchange business in Atos Euronext Market Solutions were signed in December 2007. During the year, the Group integrated Banksys as part of Atos Worldline in order to reach the same level of profitability as soon as possible.
Atos Worldline reinforced with Banksys is well prepared to benefit from the SEPA-led consolidation in payment systems in Europe.

At the beginning of 2007, after a deep strategic review of the organisation, and further to disappointing results in 2006, the Group launched a transformation plan named 303 with 3 objectives over 3 years. The objectives of the transformation program are to accelerate organic growth to improve operational efficiency and to operate as a global company.

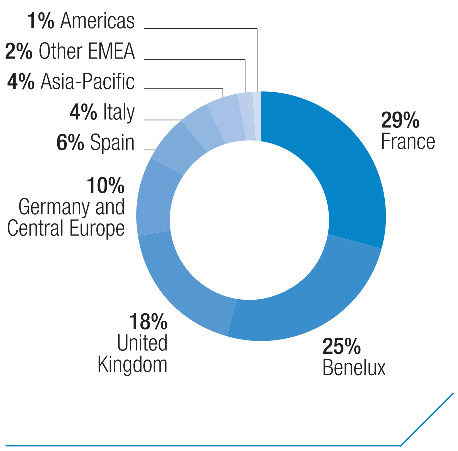
The Group's clients operate in both the public and private sectors, in a wide and evenly-spread range of industries.

REVENUE PROFILE

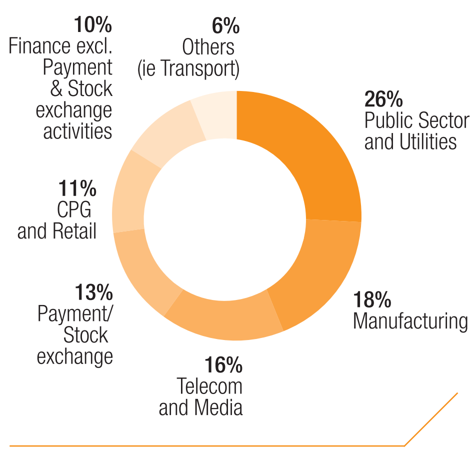
by service line



by geographic area



by industry sector



Today, Atos Origin appears as one of the very first players in IT services and has proven its ability to manage critical projects in demanding environments.

Philippe Germond
Chairman of the Management Board and Chief Executive Officer

2007 was a satisfying year for IT service companies. How did Atos Origin do?

Philippe Germond: In 2007, our Group has resumed its growth and increased its profitability. External Revenue has reached EUR 5 855 million, a +8.5% increase compared to 2006. This growth accelerated during the second semester thus achieving +9.8%.
Our services, ranging from Consulting to IT Outsourcing and Systems Integration, have enabled the Group to grow in accordance with the sector. Even better: we have exceeded the 2007 targets that had been set within the frame of our 303 strategic transformation plan.
Companies are ever more numerous to renew their trust in us or to call upon our support in their transformation projects. 2007 stands out because several large international contracts were signed with, for most of them, a significant offshore part. Among these contracts, I would like to single out Dresdner Bank in Germany, the Caisse d'Epargne

group, EDF (or a large telecom provider) in France, ING, Delta in The Netherlands; Highways Agency and Royal Mail in the United Kingdom or ChemChina in China. Finally, as the IT worldwide partner of the Olympic Games since 2002 – the largest IT contract in the sports sector ever to be signed – Atos Origin has once again succeeded in respecting deadlines while implementing the system architecture of this year's Olympic Games in Beijing.
Signing these large contracts is proof of our critical size in this industry where we are one of the leading IT services companies.
Today, Atos Origin appears as one of the very first players in IT services and has proven its ability to manage critical projects in demanding environments. Our 50,000 employees over the five continents can be proud of such an achievement.

In February 2007, you launched your transformation plan, named 303. To this day, what have been the first noticeable effects?

P. G.: The 303 Plan has three main goals: improve operational efficiency, offer global solutions to our clients and increase organic growth.
2007 was a turning point for the Group. Therefore, I would like to thank all of our teams for their efforts in order to accelerate our transformation. The 303 Plan set performance and profitability goals that we have managed to meet. To do so, we streamlined our organisation and made it more flexible. The different countries whose management used to be decentralised have been organised in network in order to speed up synergies and offer the best solutions to our clients.
An Executive Committee was created and the Management Board that I have been presiding over since last October, was tightened around three members. Together, we monitor the seven initiatives that form the framework of the 303 Plan. These initiatives range from developing our offshore capacities – there will be 8,000 employees by the end of 2009 in India, Malaysia, Morocco, Brazil, Poland and Armenia – to reducing the number of our datacenters, improving the marketing of our offers, industrialising our services and centralising our purchase department.
In 2007, we opened a Sales University that will train the whole sales force of the Group on a regular basis. More generally, we launched several projects in Human Resources: I would like to increase employee mobility both professionally and geographically.
Our 2007 results clearly indicate how our employees have been able to join forces in an effort to transform the Group and make it more competitive for its clients as well as more profitable for its shareholders.

How do you foresee the future and what are your priorities?

P. G.: I intend to develop the complete potential of the Group and to materialise its entire value. Atos Origin was built in less than fifteen years through successive acquisitions. This forceful strategy enabled the Group to establish key European positions. However, we were not always able to completely integrate the different subsidiaries, which subsequently slowed down the mutualisation and the transfer of competences within the Group.
I wish to develop a common approach for all subsidiaries in order for Atos Origin to become an optimised and integrated Group able to act on a global scale.
We have potential accelerators of growth based on distinctive offers. These specific competencies have been developed internally very often in one country, but will benefit to the rest of the Group because we are an international global company. This is a genuine company project, endowed with long-term vision, supported by all our employees and shared with our clients. I wish to include all the shareholders who contribute to our development and to the fulfilment of our ambitions. I have thus asked the Supervisory Board that a dividend payment be proposed at the next Annual General Meeting of shareholders and the decision was taken to propose, for the first time, the payment of a dividend of EUR 0.40 per share.
I feel convinced that we shall be worthy of the trust placed in us by all related parties.
The 2008 outlook for the Group, as far as I can anticipate it, allows me to feel confident about the future.

Philippe Germond
Chairman of the Management Board
and Chief Executive Officer

"Our 50,000 employees over the five continents can be proud of such an achievement."

Eric Guilhou
Senior Executive Vice-President
Global Functions

Wilbert Kieboom
Senior Executive
Vice-President Operations

Philippe Germond
Chairman of the Management Board
and Chief Executive Officer

The Management Board

The Management Board is currently composed of the Chief Executive Officer and two Senior Executive Vice-Presidents. The composition of the Management Board reflects a balanced range of business, financial, human resources, marketing and international experience which Atos Origin believes is essential for the continued success of a global IT services business.

The Management Board is responsible for the general management of the Group's business and meets as frequently as necessary in the Group's interests. The Management Board has broad powers to represent the Group in its dealings with third parties. Although each of the members of the Management Board has specific executive responsibilities, all of its members are collectively empowered to manage the Group's business.

The Executive Committee

Since January 2007, as part of the transformation plan, a Group Executive Committee has been implemented to drive the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos Origin operational performance and the execution of the 3O3 program on a monthly basis and define major action plans. It is a dedicated forum for operational management of the Group, and it allows the Management Board to focus on developing the Group, including customer relationships, negotiation of partnerships and alliances and business development.

Atos Origin is incorporated in France as a “société anonyme” (Joint Stock Corporation) with a Management Board and a Supervisory Board. This two-tier structure separates management and supervision, helping achieve sound corporate governance.

The Executive Committee increases exchanges and collaboration between operations, service lines, sales and support functions. The Executive Committee drives the operational performance of the Group and facilitates exchange and collaboration between the countries, the Global Service Lines and Sales and the support functions. The members of the Executive Committee are also deeply involved in the implementation of the strategic projects of the Group such as, for example, setting up the distinctive offerings during the second half of 2007.
On top of the Management Board members, the Executive Committee comprises the CEOs of the large countries and Atos Worldline, the heads of the Global Service Lines, the head of Group Sales and Markets, and the heads of Group main functions.

The Supervisory Board

The Supervisory Board is currently composed of six members who have a wide range of experience in terms of industrial, financial and general management, as a result of their background, education and executive positions held.
The Supervisory Board has written internal rules and responsibilities (“règlement intérieur”) that define the rules and responsibilities of the Supervisory Board and of its committees.
The Supervisory Board adheres to a Charter and it delegates certain powers to the Management Board to ensure effective control of the Group.
The table hereafter provides the list of the Supervisory Board members.

Persons responsible for the audit of the financial statements

Statutory Auditors

Deloitte & Associés
Jean-Paul Picard and Jean-Marc Lumet
Appointed on: 23 May 2006 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2011 financial statements.

Grant Thornton
Daniel Kurkdjian and Vincent Papazian
Appointed on: 30 May 2002 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2007 financial statements.

Substitute Auditors

Cabinet B.E.A.S.
7/9, villa Houssay, 92200 Neuilly-sur-Seine
Appointed on: 23 May 2006 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2011 financial statements.

Cabinet IGEC
3, rue Léon-Jost, 75017 Paris
Appointed on: 30 May 2002 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2007 financial statements.

“As part of the transformation plan, an Executive Committee has been implemented to drive the operational performance of the Group.”

MEMBERS OF THE SUPERVISORY BOARD

Name	Nationality	Age	Date of appointment	Committee member	Term of offices[a]	Number of actions held
Didier Cherpitel (Chairman)	French	63	2004	A, I, R, N	2009	1,000
Dominique Bazy	French	56	1997	A	2009	20
Diethart Breipohl	German	68	2005	R, N	2009	10
Jan P. Oosterveld	Dutch	63	2004	I, R, N	2007	10
Vernon Sankey	British	58	2005	I	2007	500
Michel Soublin	French	62	2004	A	2007	500

A: Audit Committee; I: Investment Committee; R: Remuneration Committee; N: Nomination Committee.
(a) General Meeting of shareholders deciding on the accounts of the year.

The Group implemented a transformation plan at the beginning of 2007 in order to create ongoing value for our shareholders, customers and employees alike.
Atos Origin has a set of core values and behaviours that determine our culture – a multicultural, multi-disciplined environment in which everyone is focused on helping our clients to succeed in their challenges.

Transforming ChemChina, the leading chemical company in China

A global strategic partnership agreement with ChemChina for a five-year program of business transformation, involving a combination of Business Consulting, Systems Integration and Managed Operations services.
The goal for Atos Origin is to transform ChemChina's conglomerate of companies into a 'best in class' organization by changing its Standard Operating Environment using the latest SAP chemicals template.
ChemChina is a new Asia-based client for Atos Origin and the deal further cements Atos Origin's presence in the Chinese market.

"Atos Origin's vision is to be a leading IT services player focused on delivering business outcomes globally."

1 Our vision

Atos Origin's vision is to be a leading IT services player focused on delivering business outcomes and delivering globally.

2 Our mission

"Advance your business" with Atos Origin. Atos Origin's mission is to advance the performance of our customers by offering innovative solutions that deliver measurable business value. Through developing long-term relationships with our clients we are better able to understand their strategic vision and help them to implement solutions that deliver improved efficiency and productivity gains.

3 Our core values for customers, employees and shareholders

The Group implemented a transformation plan at the beginning of 2007 in order to create ongoing value for our shareholders, customers and employees alike. Atos Origin has a set of core values and behaviours that determine our culture – a multicultural, multi-disciplined environment in which everyone is focused on helping our clients to succeed in their challenges.

Customer dedication

We listen. We devote energy to understanding clients' needs and challenges and commit to solve them. It's an essential part of building trust, building relationships and building business.

Commitment to execute

We do what we say. We deliver results to our clients on time, on budget and to agreed quality standards.

Conviviality

We consider work a social place, with room for humour and warmth.

Entrepreneurship and team spirit

As a team, we share knowledge and think ahead to be creative and to find new opportunities. We manage the present and plan for the future.

Profitability

We are acutely aware that everything we do impacts upon our profitability, which is the foundation to secure our future and to enhance value for our shareholders.

4 Living our values

Our activities and many of the services we provide are integral to people's lives. The dynamic values that run throughout Atos Origin unify a diverse team of people and form the basis for our actions, our attitudes, our behaviour and ultimately our sustained success. They drive the way in which we interact with clients, alliance partners, suppliers, shareholders, communities, and with each other.
Atos Origin's corporate values embrace the diversity and individuality of all our employees. This reflects our desire to participate in society as a responsible corporate citizen. It also makes good business sense for our people to feel comfortable about who they are, provided they are excellent at their jobs and perform to the highest standards. As well as encouraging our people to live our corporate values, we expect them to act with courage, loyalty and intellectual honesty.

- The Group insists that all employees agree to abide by a Code of Ethics that prohibits all forms of illegal or immoral behaviour. The Code is monitored as part of the Group's corporate governance procedures and the detailed terms of the Code are set out in the section "Corporate Governance" of the Annual Report.
- The Group monitors the standards adopted by our main suppliers and associates to ensure that their standards of behaviour match our own.
- The Group abides by the terms of the Human Rights Act and we are committed to ensuring that all of our employees work in an environment where they are free from discrimination, intimidation or any other form of harassment.

We encourage our employees to help their local communities through volunteer work, raising donations for local projects and partnerships with humanitarian organisations.

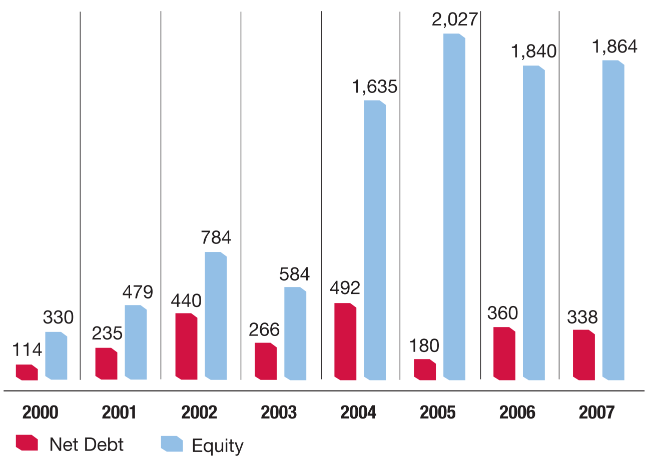
(in EUR million)	FY 2007	FY 2006	% change
Income Statement			
Revenue	5,855	5,397	+8.5%
Operating margin	271.5	246.7	+10.1%
% of revenue	*4.6%*	*4.6%*	
Net income Group share	48.2	(264.4)	+118%
% of revenue	*0.8%*	*-4.9%*	
Adjusted net income Group share (c)	139.9	110.3	+27.0%
% of revenue	*2.4%*	*2.0%*	
Earnings per share (EPS)			
Basic EPS [(a)]	0.70	(3.91)	+118%
Diluted EPS [(b)]	0.70	(3.91)	+118%
Adjusted basic EPS [(a) (c)]	2.03	1.63	+27%
Adjusted diluted EPS [(b) (c)]	2.02	1.62	+27%

(a) In euros, based on a weighted average number of shares.

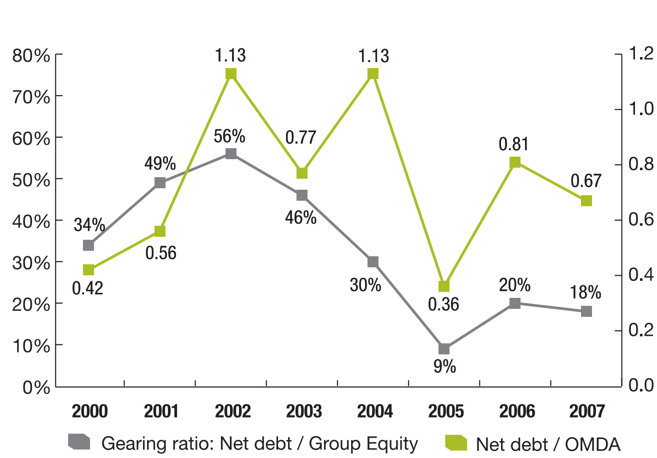
(b) In euros, based on a diluted weighted average number of shares.

(c) Based on net income (Group share) before unusual, abnormal and infrequent items (net of tax).

8-YEAR NET DEBT AND EQUITY EVOLUTION

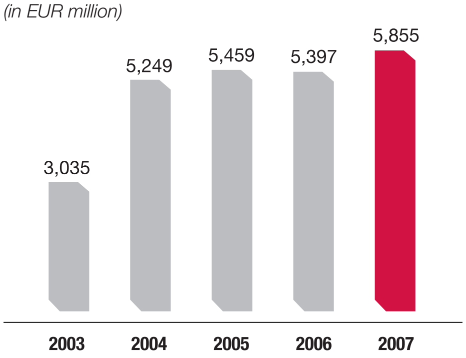


8-YEAR GEARING AND LEVERAGE RATIO EVOLUTION



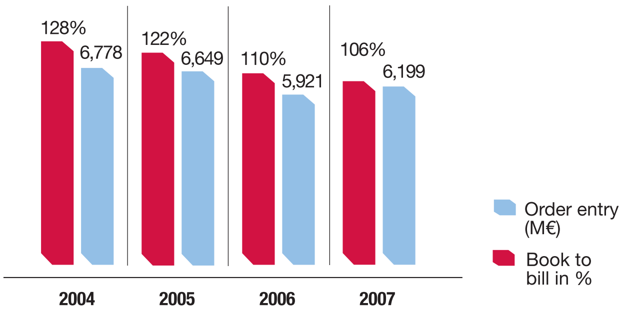
Revenue	Staff	Locations
EUR 5.8 bn in 2007	50,000 employees	40 countries

5-YEAR REVENUE PERFORMANCE
(in EUR million)

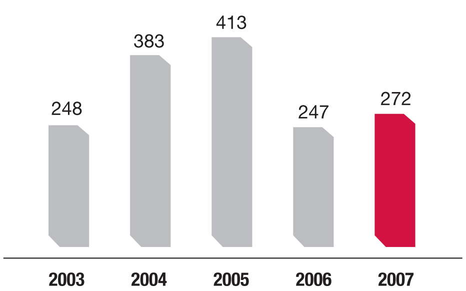


CAGR +14%

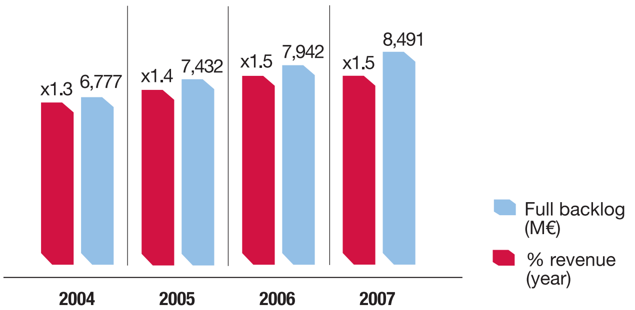
ORDER ENTRY/BOOKINGS



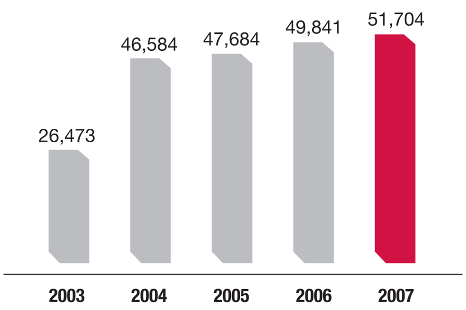
5-YEAR OPERATING MARGIN PERFORMANCE
(in EUR million)



FULL BACKLOG

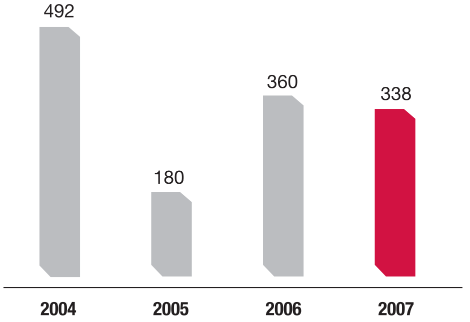


5-YEAR EMPLOYEES EVOLUTION



CAGR +14%

NET DEBT



FY03 under French GAAP and FY04, FY05, FY06, FY07 under IFRS. Operating Margin before equity-based compensation for FY03, FY04 and FY05.
CAGR = Compound annual growth rate.

In 2007, the Group launched a transformation plan named 3O3 with 3 objectives over 3 years. The objectives of the transformation plan are to accelerate organic growth, to improve operational efficiency and to operate as a global company. In 2007, Management's priority was to execute the 3O3 transformation plan and to renew with organic growth close to the market, to improve profitability, and to review the portfolio of activities.

"Execute the 3O3 transformation plan, improve profitability and review the

January

- Executive Committee created, reporting to the Management Board, to drive the operational performance.
- Beijing 2008 Olympic Games: inauguration of the integration test lab.
- Atos Origin and Landesbank Berlin extend their payment processing agreement in Germany.

February

- Atos Origin in Brazil achieves ISO 27001:2005 Information Security Certification.
- DGA (Direction Générale de l'Armement) chooses Atos Origin to design and build new generation of tactical data exchange between military platforms.

March

- Atos Origin accelerates industrialisation of testing services by implementing Compuware Test Factory worldwide.
- Atos Origin expands Moroccan operations with a new nearshore center to serve French-speaking clients.
- Atos Origin manages InterContinental Hotel Group's new payment card scheme in the United Kingdom.

April

- Atos Origin and DSM have signed a Master Agreement for the delivery of IT services until the end of 2013.
- France Printemps selects Atos Origin to audit compliance of its accounting information system.

May

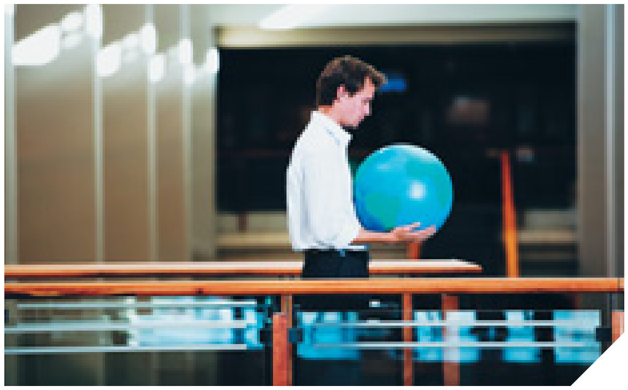
- Atos Origin strengthens future of sales experts with launch of global university.
- BP extends application management contract with Atos Origin in Germany.

June

- Five Atos Origin service centers in France have obtained CMMI level 3 certification.
- IT employees name Atos Origin as favourite employer in Dutch Salary Survey 2007.

July

- Atos Origin completes Beijing 2008 Olympic Games IT systems architecture on schedule.
- KPN and Atos Origin reinforce collaboration and renew three-year outsourcing agreements in The Netherlands.



renew with organic growth, portfolio of activities."

- Atos Origin signs contract with Catalent Pharma solutions for outsourcing of IT infrastructure in the United States.

August

- Atos Origin completes secure and successful IT operations for the Pan American Games Rio 2007.
- FCI outsources its Indian IT operations to Atos Origin (India).

September

- Signature of an Application Management contract with Dresdner Bank in Germany.
- Atos Worldline Technical Operations in France earn ISO 9001:2000 certification for seventh consecutive year.
- ChemChina and Atos Origin sign a five-year global strategic partnership framework agreement (China).
- India operations reached 2,000 staff in end of September.

October

- Philippe Germond is appointed as CEO and Chairman of the Management Board of Atos Origin.
- EDF chooses Atos Origin to deploy power generation monitoring system in France.

November

- Atos Origin wins 2007 Sesames award for innovative secure IPTV payment solution.
- Signature of a large offshore deal with one the first French telecom supplier.
- Atos Origin opens a new offshore center in Curitiba, Brazil.
- Achmea insurer signs contract with Atos Origin in The Netherlands.

December

- Agreement signed with Engineering to dispose of the Italian operations. Closing finalised on 31 January 2008.
- Agreement signed with NYSE Euronext to sell the 50% stake owned in Atos Euronext Market Solutions and to buy the Clearing and Capital Market activities.
- Agreement signed with the United Kingdom Trustees to restructure the pensions for two funds.
- Signature of several important deals in the United Kingdom.

Atos Origin is a leading international IT Services provider. We provide integrated design, build and operate solutions to large multinational clients in carefully targeted industry sectors. Our business approach is based on establishing long-term partnership that encourage success through mutual benefit.

Global desktop support for Alstom, an industry frontrunner in rail transport and energy infrastructure

Atos Origin will provide desktop support to 55,000 Alstom users worldwide for six years through a network of seven global service desks and onsite technicians deployed in key countries.
Global Voice over IP and data networks will be interconnected with Alstom's global network, and service desks in Brazil, France, Italy, Malaysia, Morocco, The Netherlands, Poland and Spain will be deployed to support Alstom.

"More than two thirds of the revenue base is recurring, deriving from multi-year outsourcing and application maintenance contracts."

We offer truly global solutions in over 40 countries worldwide. Atos Origin is one of the few companies that can provide all the "design, build and operate" elements of a business solution. More than two thirds of the revenue base is recurring, deriving from multi-year outsourcing and application maintenance contracts, and we deliver this within a global framework of three major Service Lines.

1 Consulting
Giving the client a competitive edge

Atos Consulting offers a pragmatic, realistic approach to addressing client needs.

It provides "end-to-end" services and solutions, ranging from supporting strategy development, enhancement and redesign of functional processes through selection and implementation of enterprise solutions and technology decisions. This enables our clients to become increasingly effective and to generate more value through an innovative approach to business processes, well-integrated and supported technologies and strategic investments in people.

It ensures that client enterprises receive business and technology solutions that create and sustain a real competitive advantage faster and more cost effectively.

2 Systems integration
Delivering clarity from complexity

The Group's systems integration specialists design and implement new IT solutions and systems and provide ongoing support and enhancement of IT applications.

As the market moves towards standardised packages, we design and implement solutions from leading vendors such as SAP and Oracle and integrate them in complex environments, using best-of-breed technologies.

We also implement projects using customised software, open source, and legacy applications, including various languages and design methods.

Atos Origin is also a leader in deploying European SEI CMM capabilities and currently has more than 6,000 staff in global sourcing centers worldwide.

3 Managed operations
Strategic alternatives addressing cost and risk

Atos Origin is the leading European outsourcing company as well as having a significant position in the rest of the world. We provide 7x24 "follow the sun" infrastructure and application support through our global network and have unrivalled experience in major roll-out programs covering complex and multi-site solutions including SAP and CRM applications.

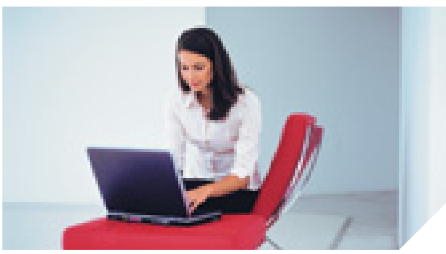
In addition to the above, Atos Origin has two specialised businesses with substancial growth potential:

- Atos Worldline – A major European player in the processing of large volume exchanges and in payment services.
- Atos Helthcare – A leading UK provider of managed medical services, delivering disability assessment medicine, occupational health, *medico legal* services, primary care and diagnostics services that touch the lives of over two million people in the United Kingdom.

Consulting

EUR 360m
2007 revenue

2,632
staff



Systems integration

EUR 2,328m
2007 revenue

25,572
staff

Managed operations

EUR 3,157m
2007 revenue

23,244
staff

TRADING OF SHARES (EURONEXT)

Number of shares	: 69,710,154
Sector classification	: Information technology
Main index	: CAC AllShares
Other indices	: CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market	: Eurolist segment A
Trading place	: Euronext Paris (France)
Tickers	: ATO (Euronext)
Code ISIN	: FR0000051732
Paybility PEA / SRD	: Yes / Yes
Euroclear code	: 5173

The main tickers are:

Source	Tickers	Source	Tickers
Euronext	ATO	Reuters	ATOS.PA
AFP	ATO	Thomson Finance	ATO FR
Bloomberg	ATO FP		

SHAREHOLDERS BREAKDOWN

The free-float of the Group shares is almost 100% today with two shareholders owning each more than 10% of the issued share capital of the Group named Centaurus Capital and Pardus Capital. No other shareholder declared owning more than 5% of the issued share capital of the Group.

In shares	31 December 2007		
	Shares	% of capital	% of voting rights
Treasury stock	705,293	1.0%	
Free float	69,004,861	99.0%	100.0%
Total	**69,710,154**	**100.0%**	**100.0%**

On 5 October 2007, these two shareholders declared the constitution of a concert. As of 24 January 2008, they collectively held 21.65% of Atos Origin share capital with Centaurus at 11.61% of share capital and Pardus at 10.04% of share capital.

Centaurus, Pardus, directors and employees are all classified under free-float.

2008 Calendar

Wednesday 30 April 2008
2008 first quarter revenue

Thursday 22 May 2008
Annual General Meeting (2007 results)

Thursday 31 July 2008
2008 half-year results

Friday 31 October 2008
2008 third quarter revenue

Tuesday 17 February 2009
2008 annual results

Contacts

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Atos Origin shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. They were first listed in Paris in 1995. The shares are not listed on any other stock exchange and Atos Origin SA is the only listed company in the Group.

DIVIDENDS

The Supervisory Board of Atos Origin convened in Paris on 14 February 2008 to examine and approve the accounts for the year ended 31 December. The Supervisory Board decided to propose, for the first time, the payment of a dividend of EUR 0.40 per share at the forthcoming Annual General Meeting of Shareholders.

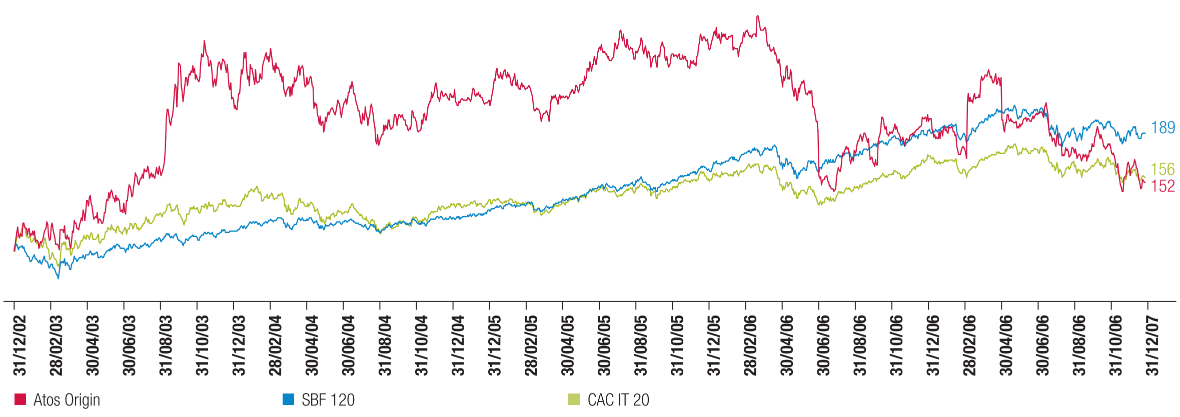
SHARE TRADING PERFORMANCE

Five-year key figures

		2007	2006	2005	2004	2003
High	*(in EUR)*	55.3	65.2	62.0	59.4	60.9
Low	*(in EUR)*	32.8	33.5	45.6	39.5	23.2
Closing	*(in EUR)*	35.4	44.9	55.7	50.0	50.7
Daily average volume	*(in shares)*	821,106	640,181	438,833	357,107	215,015
Free-float	*in %*	100%	100%	100%	85%	55%
Market capitalisation	*(in EUR billion)*	2.5	3.1	3.7	3.3	2.4
P/E (year-end stock price on adjusted EPS)		17.4	27.5	14.7	15.5	15.1

Share performance in comparison with indices (base index 100)

Since 2003, Technology indice IT CAC 20 index, underperformed the French and European markets. Atos Origin share price was not negatively impacted by any announcement during the year as the Group achieved the guidance communicated to the market. The decrease of the Atos Origin stock price during year 2007 was in the same magnitude as the one observed in the whole IT sector in Europe.



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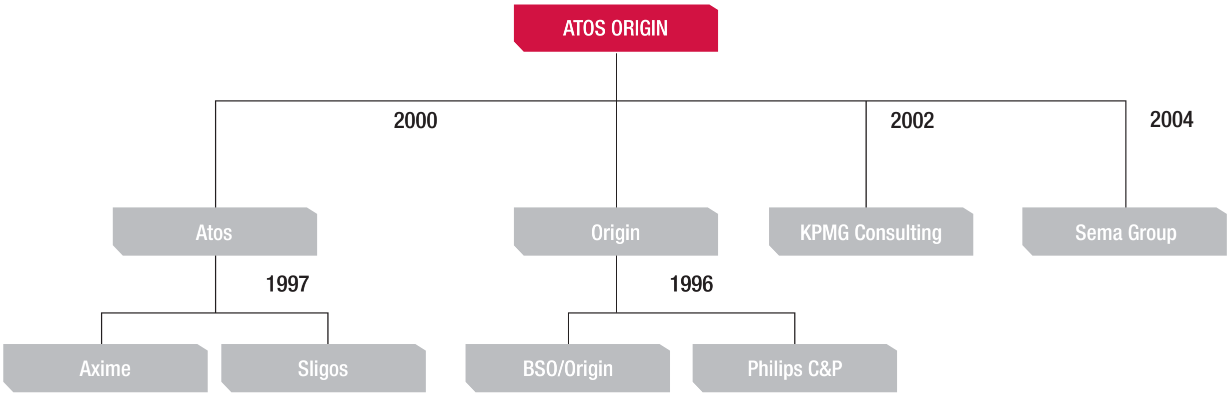
1 FORMATION OF THE GROUP

Atos Origin is a leading international IT services company created through a series of major mergers and acquisitions since 1997.



Atos was formed from the merger in 1997 of two French-based IT services companies – Axime and Sligos – each of which had been established out of earlier mergers. By 2000, Atos employed 11,000 staff and generated annual revenues of approximately EUR 1.1 billion.

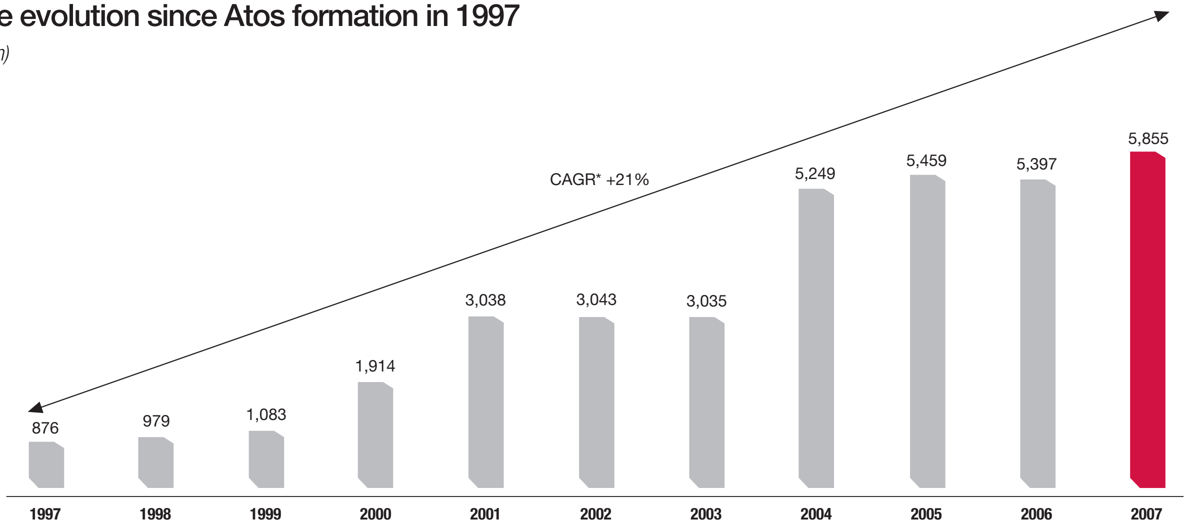
Origin was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips Communications. At the time of the merger with Atos in October 2000, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately EUR 1.6 billion.

KPMG Consulting's businesses in the United Kingdom and The Netherlands were acquired in August 2002 to establish Atos Consulting. This transaction provided the Group with a major presence in the Consulting segment of the IT services market.

Sema Group was acquired from Schlumberger in January 2004, thereby creating one of the leading European IT services companies. At the time of the acquisition, Sema Group employed 20,000 staff and generated annual revenues of approximately EUR 2.4 billion. Atos Origin employed 26,500 staff, generating annual revenues of more than EUR 3 billion.

Revenue evolution since Atos formation in 1997

(in EUR million)



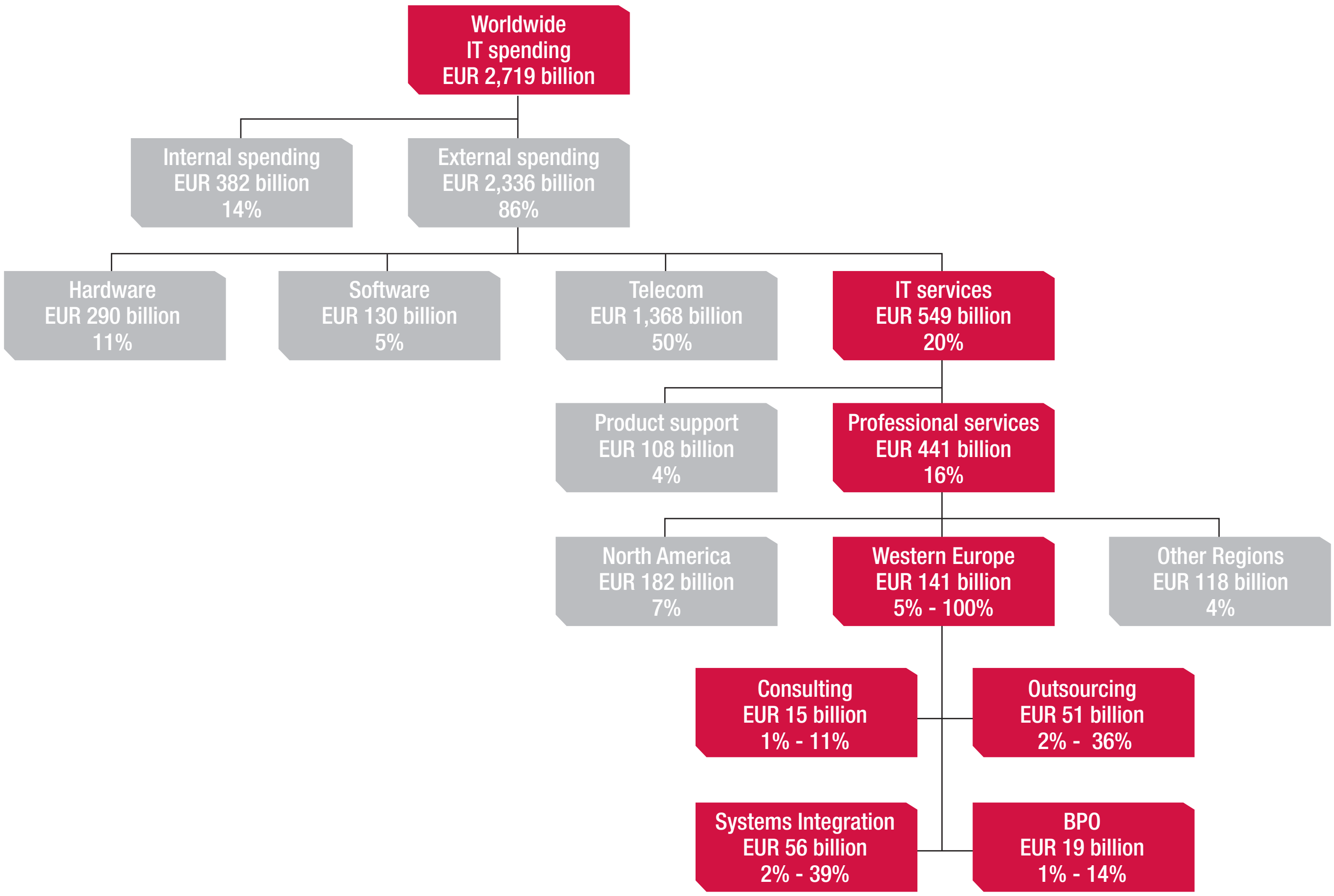
* *CAGR = Compound Annual Growth Rate.*

2 THE IT SERVICES MARKET

2.1. Global IT spending

The Information Technology market is estimated in 2007 to be worth more than EUR 2,700 billion *per annum.* Excluding IT hardware, software and telecom, the IT services market is approximately EUR 549 billion *per annum.* Direct product support activities represent EUR 108 billion of the IT services market and in which Atos Origin is not present. That leaves approximately EUR 441 billion *per annum* of "available" market ("professional services") targeted by the Group, of which EUR 141 billion is in Europe, the Group's principal market today.

FY 2007



Sources: Gartner Dataquest IT Services Market Statistics Worldwide – September 2007 in euro and Gartner IT Dataquest Market databook September 2007 in euro.

- *Hardware includes client computing (PCs, workstations, PDAs), enterprise computing (servers), storage subsystems and digital documents and Imaging (copiers, printers).*
- *Software includes applications and infrastructure software.*
- *Telecommunications include telecom equipment (infrastructure equipment, enterprise networking and communications, mobile handsets) and telecom services (fixed voices services, mobile data services, mobile telecom services, wholesale – carrier services).*
- *IT services include product support (hardware maintenance and support, software support) and professional services (consulting, development and integration, IT management, process management).*

2.2. Market conditions

Business restructuring, the optimisation of legacy systems, M&A activity and new EU regulations have driven steady growth in consulting and project work throughout 2007. There has been a strong focus on measurable value, and mature customers have been cautious, often preferring a step by step approach with multiple small projects, rather than signing one large deal for their transformation initiatives. The shortage of skills in key IT areas *(e.g.:* SOA, legacy systems, SAP) continued, particularly in main land Europe, and has been a driver for nearshore and offshore delivery models.

While the US saw a slowdown in outsourcing in 2007, outsourcing in Europe continued to grow. Compared to 2006, application development and maintenance increased and BPO declined. However, BPO is seeing an increase in scope outside of F&A, HR and CRM areas, to include such services as document management, procurement and R&D.

The high rates of outsourcing deal re-negotiations seen in 2006 slowed slightly and have been followed by an increased focus on governance and sourcing strategy. As a result, optimizing outsourcing effectiveness is becoming a high priority.

Private Equity interest in the IT services market continued in 2007, but so far with no major European acquisitions. In 2007, Private Equity exercise their influence on the scale and nature of IT outsourcing deals through the restructuring of companies in their portfolios. The Group also saw the acquisition of IT market research and outsourcing advisory organisations.

Looking forward, Eurozone's real GDP growth is expected to slow from 2.6% this year to 2.2% in 2008. Turbulence in financial markets, triggered by the fallout from the US subprime mortgage market, is clouding prospects for 2008. This has been reflected by some industry analysts downgrading their growth forecasts slightly at the beginning of 2008. However, they are still forecasting in the project-based consulting and system integration market, and expect the healthy state of the IT outsourcing and business process outsourcing markets to continue.

While many businesses have remained focused on improving internal processes and reducing costs, a desire to invest in innovation was more widespread in 2007. The Group expects this trend to continue in 2008 with an increased focus on the business outcome IT services can deliver.

2.3. IT services market trends

In our 2006 annual report the Group identified six key trends that are re-shaping the IT services market today. These are:

1) The continuing drive for cost reduction;

2) Industrialisation and the emergence of the IT utility;

3) The growth agenda;

4) Increasing globalisation;

5) The growth in multi-sourcing and the emergence of the aggregator;

6) The growth of BPO.

These underlying trends are expected to continue, and for 2008 we add:

7) The drive for sustainability.

Sustainability encompasses the financial, environmental and social responsibilities of enterprises and governments, and is sometimes called the "3Ps" – profit, people and planet. The 3Ps go beyond many traditional Corporate Social Responsibility (CSR) programmes and have been most visible in areas of the business such as property and facilities management. However, the Group has already seen enterprises starting to push their 3Ps requirements through their IT organisations and their IT services providers. In addition, there is a growing awareness that IT directly impacts the amount of CO_2 emissions and can impact the reduction of CO_2 emissions. Strong public and political interest will ensure that Corporate Sustainability – the 3Ps – becomes a major trend in the industry that will affect all suppliers, users and IT organisations.

The speed at which these seven trends play out in Europe, and around the world, will depend on the conditions and cultures in individual countries and industries. Overall however, increasing globalisation combined with industrialisation and the emergence of the IT utility are the trends currently having the largest influence on the shape of the IT services market. As these trends start to commoditise traditional service lines, differentiation will increasingly come from "how" service providers work with their customers, and from their focus in terms of customer set, industries and countries.

2.4. The competitive environment

For 2008, the Group would expect the top IT services providers by revenue in Europe to remain the same. Many have faced challenges however, such as maintaining growth and profitability while intensive, multi-year restructuring takes place. The pressure on established IT services providers to change will increase as the IT services market will continue transforming.

The US and European based service providers have been evolving, stressing a focus on business value and innovation, investing in capabilities and strengthening their offshore presence. The largest Indian firms such as TCS, Wipro and Infosys continued to develop rapidly. In 2007, competition in the European market from these leading Indian companies increased, with many acquiring both assets and people in Northern Europe. The Indian companies are becoming more broad based and are competing not only in application services, but increasingly in IT infrastructure management and IT consulting. While influencing the market trends, the revenue earned by Indian IT services providers in Europe represents a relatively small proportion of the total European IT services market. At the same time, European IT services companies are accelerating the implementation of their global delivery capabilities.

In 2007, M&A activity continued. For example the sales of Kanbay, Covansys, Xansa, Emphasis, and Infocrossing. The Group expects similar M&A activity to continue in 2008, coupled with an increase of alliances. For example, alliances between IT services providers, alliances between IT services providers and software vendors, and alliances between IT services providers and industry specialists.

Overall, competition continues to be intense, and the more mature customers are beginning to look for new sourcing models and ways of working with their suppliers. For the services providers that recognize these changes, they can represent a strong source of business opportunity and differentiation.

Consulting: Market growth in Europe is estimated at 5.3% from 2006 to 2011 (Source: Gartner Western Europe IT Services Market Database, November 2007). Across industry sectors, business intelligence, security and architecture consulting (especially SOA) are key growth drivers. Other growth drivers tend to be industry specific. For example; RFID in CPG, manufacturing and logistics, and MiFID in financial services. In 2007 there has been acceleration in international projects for the major consulting practices, and the Group expects this to continue in 2008.

Overall a distinction is emerging between strategic consulting and the growing area of "consulting led" IT services engagements – where services providers use consultants to build close relationships with clients and construct business focused, results orientated engagements. Industry focused, consultative selling will increasingly become an integral part of winning and delivering systems integration and long term outsourcing deals.

Systems Integration: The systems integration market has shown steady growth driven by pursuit of value, legacy optimisation and regulatory and compliance initiatives. For example, Sarbanes-Oxley, Basel II, the Single Euro Payments Area and MIFID. Market growth in Europe is estimated at 6.2% from 2006 to 2011 (Source: Gartner Western Europe IT Services Market Database, November 2007), with application development approximately one third of the market. The application development and management market is healthy but prices are under continuous pressure. Testing is currently a niche growth area driven by the rate of business change, increased rigor required from regulatory requirements, a lack of customer capability, and cost. The testing market however is still evolving, and far from mature.

Although project services in Europe returned to positive growth in 2007, the market has changed from the last major growth wave. One major change is the intense focus on value and performance measures. Pressure on prices and shortage of skills will continue to drive the increased use of global delivery models.

Longer term, the Group expects the market to polarise with services providers needing to focus on either low cost functional services, or providing deeper, higher value services based on industry knowledge. The larger services providers could potentially do both.

Managed Services: The IT infrastructure outsourcing and management services market is relatively mature, with analysts reporting the combined market share for the top ten service providers remaining stagnant at around 43% Worldwide and 57% in Europe. Growth in Europe is estimated at 6.5% from 2006 to 2011 (Source: Gartner Western Europe IT Services Market Database, November 2007). Application Management and Process Management are the two highest growth areas at 7.5% and 8.7% respectively. The slow down in major outsourcing deals that has been reported in the US during the first half of 2007 was not seen in Europe.

While growth continues in Europe, per-unit prices are likely to decline, putting pressure on service providers to reduce costs through increasing industrialisation and offshore delivery.

Cost reduction and skill shortages remain major drivers for outsourcing, however deals are becoming more complex and there is an increased interest in flexibility, supporting business change and aligning with business requirements. Multi-sourcing strategies are common with analysts reporting the current average number of major service providers as 3.9.

Over the last five years the average contract length has decreased by approximately 13% with three to five years now being typical. Longer term, the trend for shorter contract terms and smaller contract value will continue as the market slowly evolves from one of asset and management transfer to one of discreet services.

Payment Services: The payment services business process outsourcing (BPO) market is extremely diverse, containing a combination of suppliers with a back-ground in various industry-specific processes, as well technology specialists and IT services providers. The market is starting to mature and the Group expects consolidation amongst services providers to continue. Growth is being driven by regulatory changes *(e.g.:* the Single European Payments Area), a proliferation of payment styles *(e.g.:* mobile payments), and security *(e.g.:* chip and pin, and the use of holograms).

2.5. IT services market growth by service line

Gartner is currently projecting growth of 5.8% in IT services spending in 2008 in Western Europe, compared with 2007, for which it believes growth was just 5.9%. Gartner believes that the strongest area of growth is in business process outsourcing (BPO).

				IT spending growth %	
(in EUR million)	2006	2007	2008	2007/2006	2008/2007
Consulting	14,689	15,407	16,197	+4.9%	+5.1%
Development and integration	52,859	55,848	58,961	+5.7%	+5.6%
IT management	47,848	50,724	53,654	+6.0%	+5.8%
Process management	18,110	19,445	20,805	+7.4%	+7.0%
Professional services in Western Europe	133,508	141,424	149,617	+5.9%	+5.8%

Source Gartner: IT Services Market Statistics Worldwide: Forecast Database – September 2007 (estimated figures for 2007 and 2008 in EUR) for Professional services only. Professional services include consulting, development and integration services (Systems Integration for Atos Origin), IT management (Managed Services for Atos Origin) and process management (On-line Services and BPO for Atos Origin), but exclude product support (hardware and software maintenance and support).

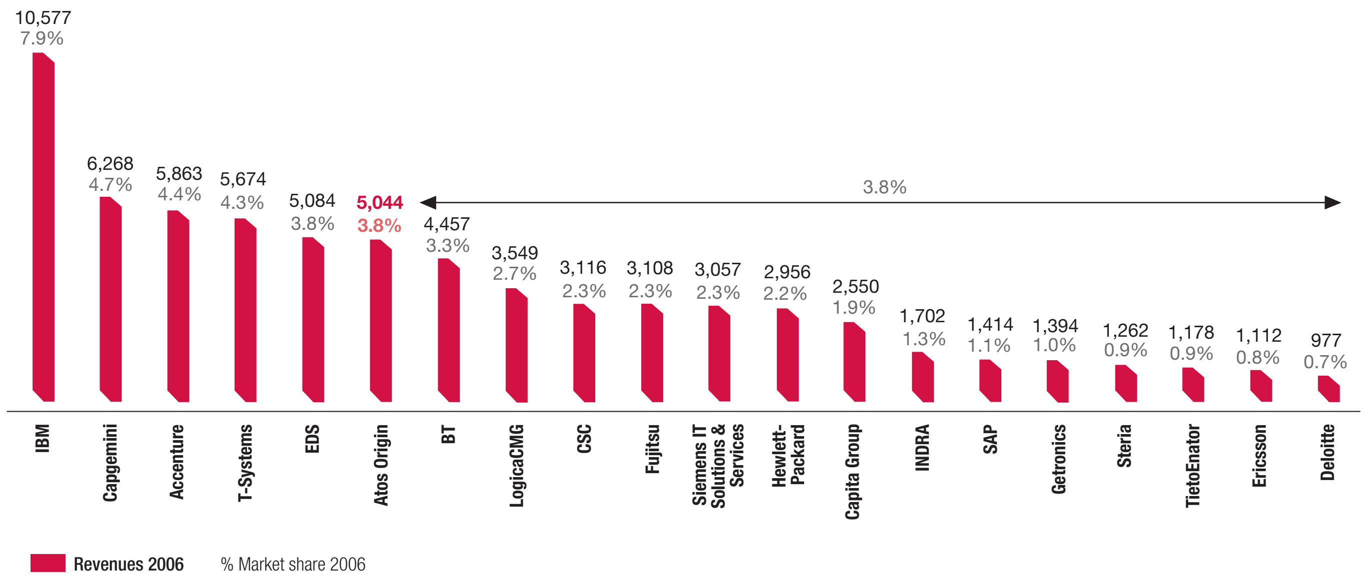
2.6. Market share and competitors

2.6.1. Ranking in Western Europe

According to Gartner, Atos Origin was the sixth largest IT services company in Europe in 2006. IT services market share rankings in Western Europe were as follows:

Market share Western Europe 2006

(in EUR million)



Source: Company Information – IT Services Europe Final Market Share Gartner: August 2007 in USD with USD 1 = EUR 0.79686.
In EUR million, Professional Services include Consulting Services (Consulting for Atos Origin), Development and Integration Services (Systems Integration for Atos Origin), IT Management (Managed Services for Atos Origin) and Process Management (On-line Services and BPO for Atos Origin), but excluding Product Support (Hardware and Software Maintenance and Support).

2.6.2. Main competitors in Western Europe

	Main competitors
United Kingdom	BT, EDS, Capita Group, IBM, Cap Gemini, CSC, Fujitsu, Logica
Central Europe	T-Systems, IBM, Siemens Business Solutions, Accenture, SAP
France	Capgemini, IBM, Logica, Accenture, France Telecom
Benelux	IBM, Cap Gemini, Getronics, Logica
Italy	IBM, Amaviva, Accenture, Gruppo Engineering, Elsag SpA
Spain	Indra, IBM, Accenture, T-Systems, Telefonica

Source Gartner: IT Services Europe Final Market Share – August 2007.

2.6.3. Market size and market share in Western Europe

According to Gartner, based on 2006 figures for external IT spending, Professional Services market shares in each main country, and service line were as follows:

	Market size		Weight	Atos Origin		Market share	
(in EUR million)	2006	2007	2007	2006	2007	2006	2007
United Kingdom	47,271	49,746	35%	1,035	1,042	2.2%	2.1%
Central Europe	27,309	28,738	20%	592	607	2.2%	2.1%
France	16,878	17,918	13%	1,652	1,685	9.8%	9.4%
Benelux	12,302	13,029	9%	1,151	1,475	9.4%	11.3%
Italy	9,795	10,096	7%	297	296	3.0%	2.9%
Spain	8,316	8,806	6%	303	332	3.6%	3.8%
Nordic	11,231	11,844	8%				
Rest of Western Europe	404	1,246	0%	14	12	3.5%	1.0%
Western Europe	**133,508**	**141,424**	**100%**	**5,044**	**5,449**	**3.8%**	**3.9%**
Consulting	14,689	15,407	11%	406	359	2.8%	2.3%
System Integration	52,859	55,848	40%	2,066	2,125	3.9%	3.8%
Managed Operations	65,959	70,169	49%	2,572	2,966	3.9%	4.2%
Western Europe	**133,508**	**141,424**	**100%**	**5,044**	**5,449**	**3.8%**	**3.9%**

Source Gartner: IT Services Market Metrics Worldwide Market share – September 2007 in EUR.
United Kingdom includes Ireland, Central Europe is composed of Germany, Switzerland and Austria, Benelux includes The Netherlands and Belgium, Italy includes Greece, Spain includes Portugal, Nordic is composed of Sweden, Norway, Finland and Denmark.

3 ORGANISATION, STRATEGY AND OUTLOOK

3.1. Organisation

3.1.1. Governance

New Governance has been implemented at the beginning of 2007 within the Group. Key evolutions were a more focused Management Board, the creation of a Group Executive Committee and, a new matrix organisation. The main tasks of the Group Executive Committee are to define and review business priorities, operational performance and execution of the 303 programme on a monthly basis and define major action plans. Therefore the Management Board can focus on strategy and development.

3.1.2. Matrix Organisation

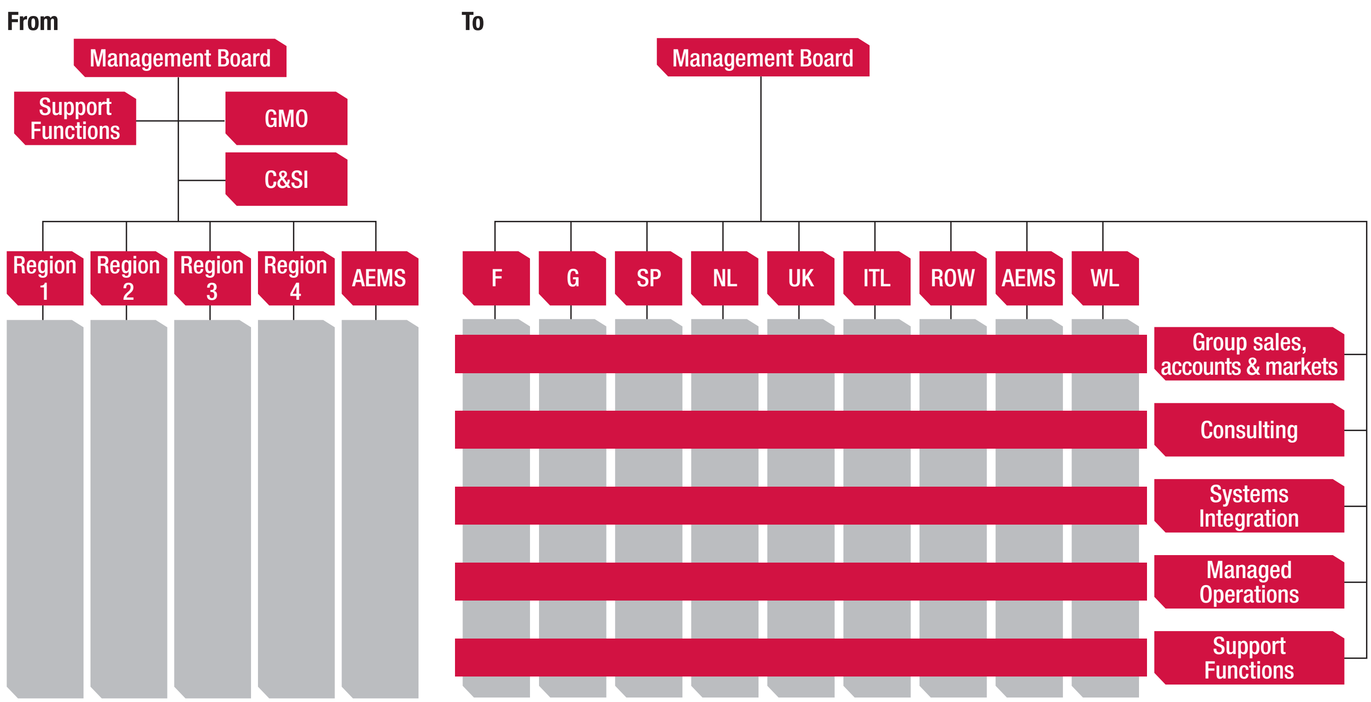
The principle of the organisation of the Group is a matrix, with responsibilities and measures of performance by country and by global service line. This organisation secures the complete collaboration between geographies, service lines and support functions, and accelerates implementation of a truly global delivery platform and shared service center.

The Sales and Markets Organisation is focused on seven priority markets (Finance, Telecom, Manufacturing, Utilities, Retail, Healthcare and the Public Sector), development of new clients and new scalable business solutions through a homogeneous sales structure across the Group.

Service Lines responsibilities include portfolio management and development, strategy and business performance, global delivery plan, industrialisation plan, innovation, offshoring and cost management.

In the support functions, purchasing, internal audit and IT are totally centralised. In Finance and Human resources, the country and service line CFOs and HR directors have a dual reporting to respectively Group CFO and Group HR Director with the countries CEOs.

This organisation allows the Group to ensure direct connection between countries, service lines, support functions and sales.



3.1.3. Top Management

The Management Board has been tightened and simplified on 12 June 2007 and includes only three members:

- **Philippe Germond** appointed as **CEO and Chairman of the Management Board** on 1 October 2007. Philippe Germond joined the Group in December 2006 and was member of the Supervisory Board since 2003. Prior to Atos Origin, Philippe started his career with Hewlett Packard where he was Managing Director of HP Southern Europe and member of HP Europe Executive Board. In 1995, he became CEO of SFR-Cegetel Group and in 2003 joined Alcatel as President and Chief Operating Officer. In December 2006, Philippe Germond became member of the Management Board of Atos Origin.
- **Eric Guilhou, Senior Executive Vice President Global Functions.** He joined Atos Origin in 1990 and held Executive Director positions until 1995 when he was appointed CFO of the Group. In 2000, Eric became member of the Management Board. Previous experiences include Grant Thornton, Group Compagnie Générale des Eaux and co-founding of Telemarket company.
- **Wilbert Kieboom, Senior Executive Vice President Operations** joined the Group in 2000. Prior to joining Atos Origin, he was CEO of Syntegra NL, part of British Telecom. His career began at Heineken Netherland B.V. in 1982 and he then held CEO positions with Lotus Development, Apple Computer and was vice-president Sales and Marketing Europe for Tandem/Compaq. In 2000, he was appointed as member of the Management Board of Atos Origin.

Philippe Germond has, in addition of his CEO responsibilities, the charge of 3O3 Transformation Plan, Atos Worldline, Major Events and the Olympics projects, Global Markets, Marketing and Communication, Investor Relations, Mergers & Acquisitions.

Eric Guilhou has in charge all the Global Functions including Finance, Human Resources, Legal, IT, Purchasing and Internal Audit.

Wilbert Kieboom is in charge of all the Country operations, the Global Service Lines (Consulting, Systems Integration and Managed Operations) and Global Sales.

The Executive Committee drives the operational performance of the Group and facilitates exchange and collaboration between the countries, the Global Service Lines and Sales and the support functions.

On top of the members of the Management Board, the **Executive Committee** is composed of:

- **Patrick Adiba, Group Sales & Markets,** appointed end of 2006 also in charge of the Olympic Games and major events. Most recently he served as Vice President Human Resources of SchlumbergerSema, and General Manager of its Latin America Branch.
- **Diego Pavia Bardaji, CEO Iberia and South America** has been CEO of Spain since 2002, and was previously in charge of a Global business unit Energy in SchlumbergerSema.
- **Francis Delacourt, Global Managed Operations,** joined the Group in 1991. He was in charge of various operational and executive positions around outsourcing business in France, the United Kingdom and The Netherlands. Since 2004, he has been responsible for Global Managed Operations. Before joining, he worked with Dun & Bradstreet Software, McDonnel Douglas Information Systems and Burroughs-Unisys.
- **Didier Dhennin, CEO Atos Worldline** since 2004. He joined the Group in 1984, and was previously in charge of Multimedia activities that he launched in Atos Origin.
- **Gérard Guerguérian, Group General Counsel,** joined the Group in 1999 as Group General Counsel. Previously he was general counsel of South Europe division of International Paper.
- **Peter T. Jong, CEO Germany and Central Europe.** Peter T. Jong joined Atos Origin in 2001 from Lucent Technologies where he was Chief Information Officer. In Atos Origin, he was in charge for Managed Operations in The Netherlands. In 2006, he was appointed Chief Operating Officer for the operations in The Netherlands with the recent responsibility for the Sales and Client management organisation.
- **Rob Pols, CEO Netherlands,** joined the Group end of 2006. He has built a considerable track record in the IT services and consultancy market place. Since 2005, he occupied the position of general manager and Chief Operating Officer at Fujitsu Services in The Netherlands in 2005 and 2006.
- **Michel-Alain Proch, Group CFO,** appointed in 2007 joined Atos Origin in 2006 as Group Senior VP Internal Audit and Risk Management. He started his career with Deloitte & Touche. He moved to Hermès where he was CFO for Americas.
- **Arnaud Ruffat, CEO Italy,** appointed in 2007, joined the Atos Origin Group in 1988 and held various management positions within the Group, including Chief Financial Officer and Business Unit Manager. In 2003, he was appointed CEO Managed Services in France.
- **Jean-Marie Simon, Group Human Resources,** appointed in 2007. He was HR Director France, Germany & Central Europe from 2005 to 2007, and was previously Managing Director in R&D and production centers with Schlumberger. He worked in Indonesia and Norway and was before CIO for the oil sector of Schlumberger during three years.

- **Hubert Tardieu, Global Consulting & Systems Integration,** joined the Group in 2004 with the Sema Group acquisition, having spent 23 years in various operational and executive positions as CTO, Head of worldwide Telecom SBU and President for Finance Services.
- **Keith Wilman, CEO United Kingdom,** joined the Group end of 2006. He has over 25 years experience in the information technology field. He was previously President and CEO of CSC's European Group Northern Region (United Kingdom, Ireland and The Netherlands). Prior to joining CSC in 1997, Keith was managing director of Easams Ltd.
- **Didier Zeitoun, CEO France,** joined Atos Origin when the consulting firm Odyssée was acquired by Atos Origin in 2000. He managed the French consulting operations of Atos Origin until 2003, and has managed the French Systems Integration until his appointment of CEO France in 2007. Before joining, he worked with Accenture and Altis.

3.2. Strategy

3.2.1. Strategic transformation move

Seven initiatives

Launched at the beginning of 2007 under the leadership of Philippe Germond, the 3O3 programme, has put together seven working groups to meet the 3 objectives which are accelerate revenue organic growth, improve operational efficiency and operate as a global company in 3 years. The working groups are the following:

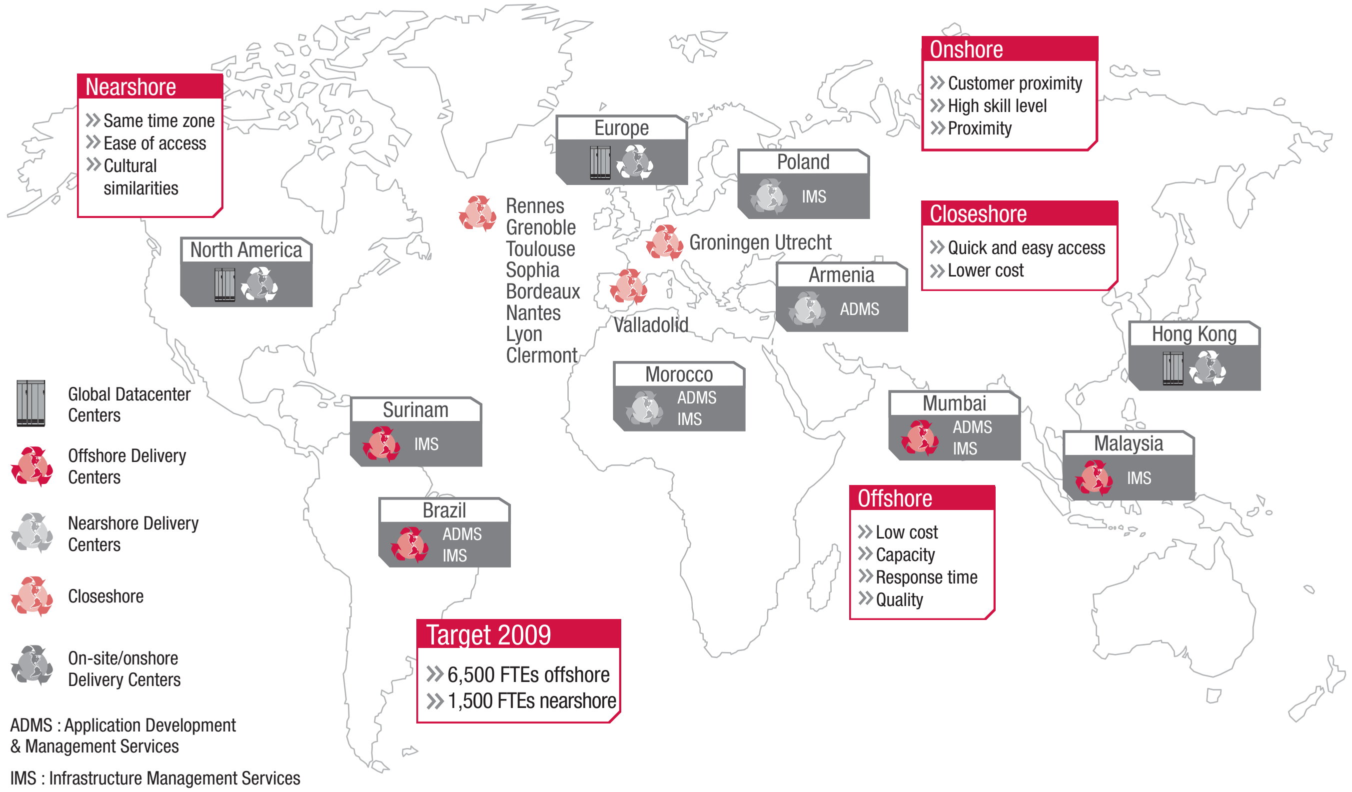
1. **Industrialisation** through the standardisation of processes and tools within Systems Integration to move from heterogeneous production schedule to harmonised, customized and more efficient production output with common tools and processes such as the testing factory. It will increase the productivity and the quality of delivery.
2. Offshore and nearshore strategy target in Systems Integration staff in **offshore and nearshore** locations by the end of 2009 is to multiply by six the number offshore resources in three years to reach 6,100 staff at the end of 2009. At the same time, Atos Origin will re-balance its delivery strategy not only with offshoring and nearshoring but as well with closeshore back office center and onshore front office customer centers. In Managed Operations, the ambition is to have 1,900 staff offshore and nearshore by end of 2009. Therefore, in total the Group's target of offshore and nearshore staff is 8,000 at the end of 2009.
3. Acceleration of the implementation of a Managed Operations **Global Factory** to ensure standardised, consolidated global delivery. One of the most emblematic projects is the consolidation of datacenters with on one hand, the optimisation of the number of datacenters (34 at year end 2007) with twin technology to improve reliability and ensure business growth while reducing cost/m^2 across the Group; and on the other hand, to consolidate the European mainframe datacenters into one twin center in Germany.
4. **Optimisation of Sales** resources and development of solutions portfolio to regain a strong organic growth momentum.
5. **Global Purchasing** to reduce costs and improve strategic purchasing.
6. Stronger and more efficient **key functions** with shared services center and optimized and integrated IT environment.
7. Accompanied by a strong **Human Resources programme** to attract, develop and retain best talents.

Balanced global shoring

Global delivery is a major goal of the 3O3 programme. The choice of the balanced global delivery model, using existing positions in India, which is the focal point of offshore support, Malaysia, Brazil, Spain, Morocco, Poland, Armenia and other countries, such as China, to provide a cost effective balanced delivery capability to serve the complex demand mix of the individual European markets.

The objectives of the Group are to achieve respectively 20% and 8% of total Systems Integration and Managed Operations productive people in offshore and nearshore locations by 2009.

Atos Origin's current capability



3.2.2. Strategic development

Following the first organisation and Transformation Programme launched early 2007, the Management Board with the Executive Committee and experts in the Group engaged during summer 2007 a second strategic move to define the Group vision and its development strategy going forward. As a result of portfolio review process, the Group has adjusted its vision and strategy.

Atos Origin's vision is to be a leading IT services player focused on delivering business outcomes and delivering globally.

Therefore the strategy is to develop Atos Origin as a global multi-specialist able to deliver on an international basis. The Group defined a strategy with the objective to reach a sustainable and refocused position in line with its vision.

The Group has defined three imperatives to create value:

1. **Accelerate performance and competitiveness: a first priority to earn the right to grow, *i.e.*:**
   - Deliver on operational excellence and 303 implementation (Sales Engine, Industrialisation, Offshoring, Managed Operations Global factory, Support functions, Talent management);
   - Adapt organisation and reinforce management accordingly.
2. **Focus on core markets and activities by doing targeted investments and divestments both in geographies and businesses *i.e.*:**
   - Reconsider non strategic countries without affecting the global delivery footprint;
   - Develop the positions in large countries including external growth to strengthen geographical footprint;
   - Change some of the business models with an increased focus on return on assets.

3. **Strengthen on differentiating elements: develop and invest in distinctive positions on a number of domains with a stronger and higher margin than average mainstream business.**

Distinctive offers are selected under five criteria:

- With a vertical and/or business process approach focused on business outcome;
- Cross-service line (consulting lead and client engagement);
- Multi-countries;
- Requiring investment generating strong revenue growth and return;
- Incorporating and leveraging partnerships.

At the end of 2007, the Group has defined the following distinctive offers as a priority:

- **Global payment services;**
- **SAP Banking;**
- **MMT ("Maximize Manufacturing Together");**
- **Solutions for Customers Relationship Management (CRM) and e-services;**
- **Next generation network;**
- **Business Support Systems (billing and CRM) and Support Transformation;**
- **Solutions for nuclear instrument and control;**
- **Solutions for Content Management.**

The growth in these distinctive areas is expected to exceed the average market growth and the ambition of the Group is to increase its market share through distinctive offers.

3.3. Objectives for 2008

In 2008, the Group will continue to invest in Sales, Industrialisation, Global Delivery, through the 3O3 transformation plan and will accelerate the Offshoring strategy. Investments will be done in distinctive offers in order to accelerate the organic growth.

The Group has set the following objectives for 2008 on the new scope excluding Italy sold at 31 January 2008 and the future sale of Exchange operations from Atos Euronext Market Solutions which are expected to be transferred to NYSE Euronext during the third quarter of 2008:

- Achieve a revenue organic growth at +4%;
- From the 4.6% reached in 2007, to continue the improvement of the operating margin rate by +100 basis points after transformation costs;
- Net debt reduction of EUR 100 million after dividends payment, cash out for the pensions in the UK and proceeds from disposals Italy and Exchange AEMS.

4 » CONSULTING

Giving the client a competitive edge.

4.1. Description of activities

Atos Consulting represents the design part of the "Design-Build-Operate" concept of Atos Origin. Therefore, strong attention is given to the alignment of the Atos Consulting portfolio and the Atos Origin portfolio on one hand, facilitating System Integration and Managed services sales development, and to the ability of our consulting arm to support our large customers in the day to day business they conduct with Atos Origin.

Atos Consulting offers a pragmatic, realistic approach to addressing client needs. It provides "end-to-end" services and solutions, ranging from supporting strategy development, enhancement and redesign of functional processes through selection and implementation of enterprise solutions and technology decisions. This enables our clients to become increasingly effective and to generate more value through an innovative approach to business processes, well-integrated and supported technologies and strategic investments in people. It ensures that client enterprises receive business and technology solutions that create and sustain a real competitive advantage faster and more cost effectively.

Deep Industry knowledge is a must for our customers. Atos Consulting has a proven track record of delivering solutions in Public Sector and Utilities, Telecom, Financial Services, Transport, Process industries, Consumer Product Goods and Retail, and in Discrete Manufacturing. By focusing on these specific industries, Atos Consulting ensures an in-depth understanding of clients and their businesses.

New Regulation in payment like SEPA, innovation in Telecom via Intelligent Network, Convergence, Lean Manufacturing, Green, are areas where our consultants have demonstrated they understand what is at stake and the way our customers should move and benefit of Atos Consulting and Atos Origin wide range of capabilities.

Through a highly integrated and global approach, Atos Consulting ensures that all aspects of a client's organisation – people, processes and technology – are fully aligned with its business strategy.

The Group's activities are supported by four centers of excellence, which develop and deliver solutions as well as supporting business development activities. These centers of excellence use our knowledge management system extensively and disseminate leading-edge information through appropriate training the knowledge sharing practices, focusing on the following areas:

- **Strategy and technologies:** supporting enterprises by assisting with the development and design of their business and IT strategy. Helping clients to apply technologies in a way that is aligned with their business objectives through our Atos™ Enterprise Architecture approach. Main focus for Strategy & Technologies has been concentrating on IT Governance, IT Strategy and IT Architecture in the context of significant demand of alignment of business directions and IT architecture. As opposed to previous years where TCO reduction was the main subjects, large programme have been launched to support growth in several industries, first with a consulting part, then with an implementation part.
- **Operational transformation:** here too, the consulting center of expertise is first helping clients to address efficiency issues and use their operations as a mean to create sustainable competitive advantage; then, providing insight into system applications that transform internal processes and external relations, we can provide design build and operate services to our customers. Focus areas include supply chain transformation, strategic procurement, customer relationship management and business intelligence.
- **Financial management solutions:** designing and implementing financial processes and underlying technologies for the financial functions of private and public sector organisations. Enabling them to drive business performance through the use of better financial information, key performance indicators and transformed planning, budgeting and forecasting processes. Helping finance functions to capitalise on external changes such as the introduction and compliance with International Financial Reporting Standards (IFRS) and Sarbanes-Oxley. Focus areas include Corporate Performance, Compliance and Shared Service Centers for Finance management.
- **People and change management:** focusing on the alignment of human resources with business strategies and objectives. Improving the efficiency of administrative functions by balancing low-cost structures with high service levels. Managing the human dimension of change by addressing people and organisational factors during change initiatives. Focus areas are HR Transformation and shared service center, Performance Improvement and Change Management.

For Financial Management Solutions, People & Change management, these consulting engagements are often performed upstream of an ERP implementation, done in a second step in conjunction with

System Integration, and ERP operation (hosting, technical management), based on SAP or Oracle set of solutions.

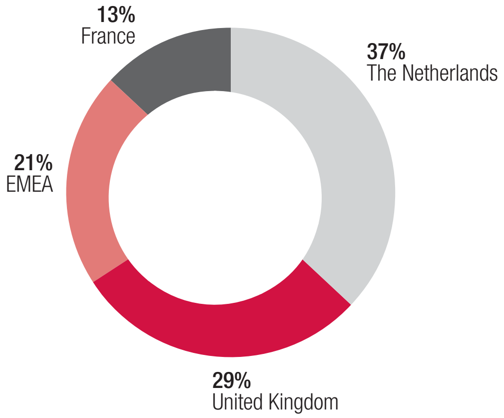
Atos Consulting has a legacy of long-standing and close relationships with its clients, providing complete business transformation solutions that deliver highly effective results. In 2007 Atos Consulting has been instrumental to winning or driving contracts performed with the two other Service Lines: Atos Consulting China was key to winning the ERP preparation for ChemChina as well as supporting the implementation of large finance management and HR ERP implementation for Prorail and TNT.

4.2. Summarised trading

(in EUR million)	**FY07**	FY06	**% growth**
Revenue	360	406	-11.2%
Operating Margin [(a) (b)]	17.5	36.5	-52.0%
% margin	4.9%	9.0%	-4.1 pts
Staff year-end	2,632	2,698	-2.4%

(a) Before equity-based compensation.
(b) After Global service line costs.

Revenue breakdown by country



4.3. Future development

Atos Origin is committed to deliver Design-Build and Run solutions to its customers on a country and more and more on an international basis. Therefore activities overlapping two service lines are likely to develop further: IT strategy, Technical Consulting, ERP upstream, Infrastructure transformation as well as BPO in support functions will continue to grow.

Atos Consulting has launched global marketing campaign around **"We see things differently"** to reinforce the message that Atos Consulting represent the design part of the "Design-Build-Operate" business concept of Atos Origin, as described above

Growing internationally means reaching an appropriate critical size in main countries. Besides the United Kingdom, The Netherlands, France and Spain having strong expertise, Atos Consulting is developing in Belgium, Germany and Asia - Pacific with the support of Atos Consulting Netherlands.

Atos Consulting is extending its centers of excellence with strategy and innovation. Procurement, Customer management and ERP business leadership

In addition, Atos Consulting will play a significant role in the sale of the distinctive offerings which are at the core of the new three years strategy of Atos Origin. We firmly believe the consulting led approach is the one that will create the best momentum to bring to our customers a complete solution, resulting for Atos Origin a continuation of the Consulting business into the System Integration and Managed Operation of these opportunities.

5 SYSTEMS INTEGRATION

Delivering clarity from complexity.

5.1. Description of activities

The Group's systems integration specialists design and implement new IT solutions and systems across a number of core markets, ensuring a seamless fit with existing infrastructures and providing ongoing support and enhancement of IT applications. Our extensive experience in integrating people, processes and technologies enables us to design, build and operate practical and robust solutions.

The Group works with its clients to develop, implement and maintain systems that will support and enhance their overall business strategy. As the market moves towards standardised packages, we design and implement solutions from leading vendors such as SAP, Oracle and EMC and integrate them in complex environments, using best-of-breed technologies. We also implement projects using customised software, open source, and legacy applications, including various languages and design methods. We work with a carefully selected group of strategic partners to develop and implement end-to-end offerings, integrating leading technologies and packaged systems. In 2007 Atos Origin has further developed it's MMT (Maximising Manufacturing Together) Programme announced in June 2006 with SAP. The development has seen the opening of six new Centers of Expertise (COEs), four in Europe, one in North America and one in China. These COEs have assisted in securing new clients and expanding Atos Origin's offerings to the Manufacturing Sector, which is the largest Market Sector in Atos Origin. SAP also awarded its 2007 Quality Award to Atos Origin for SAP implementations.

As the global demand for application management increases, the Group has crafted a unique and transparent value proposition, incorporating state-of-the-art processes and methodologies, strong governance and industry standards such as ITIL for continuous service delivery. This has been formalised in our Atos™ Application Management approach and is applicable across all core markets. It leverages our global sourcing capabilities to deliver substantial reductions in clients' cost of ownership through flexible pricing models aligned with their business activities and harmonisation of client processes. In 2006, Application Management has become the largest activity in Systems Integration within Atos Origin.

Our approach to global sourcing involves leveraging a worldwide portfolio of capabilities, irrespective of their geographic location, to deliver high-performance, dependable and globally consistent services across all phases of the IT lifecycle. Atos Origin is a leader in deploying European SEI CMM capabilities. We currently have global sourcing centers with more than 6,000 staff in Europe, Asia, and South America assessed at CMM level 3. As part of the 3O3 transformation plan a specific attention has been given to Offshore with in India the doubling of staff due to accelerated recruitment including experienced staff, in Morocco, the launch of a French speaking nearshore center and in Armenia the start of a nearshore center dedicated to IBM technologies. During 2007 we have also reinforced our presence in closeshore for Systems Integration staff.

Although global sourcing can bring considerable benefits, it can also bring major organisational complexity, highlighting the need for a provider with strong transformational capabilities. This is where the Group excels, leveraging our global experience, maturity, organisational and cultural alignment, as well as robust delivery capabilities.

Industrialisation was also part of the 3O3 programme with a strong focus on aligning in each country the delivery organisation around the Software Delivery Model Center to make sure that the progress achieved in process and tooling will translate in real productivity improvement. Focus has been put on choosing common tools for the seven major SI processes and on installing global shared service centers to have all SI staff accessing these tools in a similar way they access today Atos Origin Knowledge Management System (more than 80% penetration rate).

> "Our approach to global sourcing is about leveraging a worldwide portfolio of capabilities, irrespective of their geographical location while maintaining high standards of quality."

Our main areas of expertise include enterprise resource management (ERM), customer relationship management (CRM), business intelligence, supply chain management (SCM), business integration, enterprise content management (ECM) and technical automation. Across all of these areas, the Group has successfully implemented many complex and global projects. The Group is particularly strong in managing large-scale integration programmes and has significant technical architecture skills. Our complete service offering is founded on extensive training and the adoption of high level industry certification standards, project management institute (PMI) and ISO 9001:2000, with a set of fully defined systems integration processes.

As part of the Atos Origin 3 Year strategy, Atos Origin will roll out 11 distinctive offerings among which several have been piloted in 2007: MMT (Maximising Manufacturing Together) jointly with SAP, ECM jointly with partners…

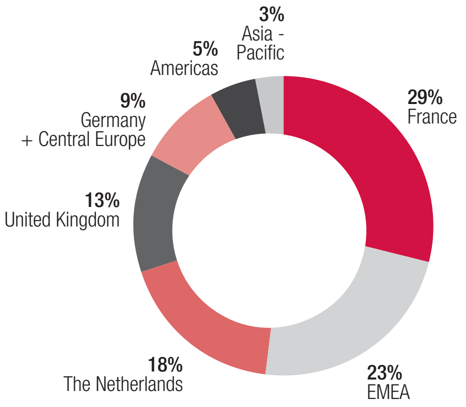
"We are developing emerging solutions in line with our clients' technical strategies."

5.2. Summarised trading

(in EUR million)	**FY07**	FY06	**% growth**
Revenue	2,338	2,243	+4.3%
Operating margin [(a) (b)]	95.6	69.0	+38.6%
% margin	4.1%	3.1%	+1.0 pt
Staff year-end	25,572	24,836	+3.0%

(a) Before equity-based compensation.
(b) After Global service line costs.

Revenue breakdown by country



5.3. Future development

Atos Origin is committed to delivering end-to-end solutions to its clients and is therefore continuing to strengthen its global Consulting and Systems Integration organisation to coordinate and standardise the provision of services to clients across multiple countries and provide integrated design-build-operate services.

Although the economy in Europe is expected to see only modest growth over the next three years, large IT services providers are expected to benefit from higher demand due to consolidation of procurement and strong regulation requirements. Atos Origin has therefore developed a three-year strategic plan based on continuing organic growth in Europe in the coming years. Furthermore, Atos Origin expects to see strong growth in Asia - Pacific, linked to our strategy of focusing on large multinational clients who are expanding rapidly in this geographical area.

The Group's Systems Integration business is an integral part of its total business offering and the Group intends to continue to increase the proportion of our activities that derive from long-term relationships with our clients and from recurring revenue sources, especially in application management. Atos Origin is recognised among prominent industry analysts as the leading solutions provider to the market. This follows significant investment in 2007 in terms of tooling, processes and training, both for package implementations and custom application management. In our key sectors, the Group has developed industry-specific demonstrations of these solutions, which were very successful in areas such as Telecom (Orange Herman, Vodafone NGIN, KPN-Application Management), Finance (Dresdner Bank), Manufacturing (ChemChina, DSM, Faurecia).

The Systems Integration activity is quickly evolving towards more maturity under the pressure of our customers requiring higher quality at a reducing price year after year. The long term contracts for Application management and fix price projects are allowing Atos Origin to propose measurable productivity improvement thanks to better processes and tooling; Atos Origin is sharing with its customer the resulting savings. As well Atos Origin is more and more organised around Front Office / Back Office with the Back Offices representing soon half of the Systems Integration staff either within Europe in specialised Delivery Centers or Offshore in India or Brazil. Full benefit of this new delivery scheme can only be obtained through a global delivery platform where processes are crystallised through CMMI roll out where Atos Origin is seen as a leader.

The 303 transformation plan will continue to be rolled out in 2008 with Global Sourcing offshore reaching 3,000 staff and closeshore 8,000 staff bringing to 45% of the staff the delivery done offshore and closeshore. The effort on CMMI will be pursued with an overall penetration rate of 75% of Delivery population by end of 2008. Industrialisation will be pursued with more than 9,000 staff using SI tooling out of shared service centers (ie a penetration rate of 60%).

6 » MANAGED OPERATIONS

Managed operations – Strategic alternatives addressing cost and risk.

6.1. Description of activities

Atos Origin specializes in managing and transforming the IT operations of its clients. This includes managing clients' entire information and data processing systems, covering datacenters, network and desktop support operations, application management and implementing processes and tooling that enable clients to benefit from state-of-the-art technology.

Atos Origin is the leading European outsourcing company as well as having a significant position in the rest of the world. We provide 7x24 "follow the sun" infrastructure and application support through our global network and have unrivalled experience in major roll-out programmes covering complex and multi-site solutions including SAP and CRM applications.

To provide world-class service delivery, Managed Operations uses its own Continuous Service Delivery Methodology (CSDM). This is based on ITIL standards and ensures globally consistent processes, tooling and organisations. This methodology is important in allowing Atos Origin to guide the client through the process of assessment, planning, implementation, transition, and continuous quality delivery.

In 2007 we started to implement the Global 303 Transformation Programme focussed on tuning our organic growth engine, improving our operational efficiency and enhancing the way we operate as a global company. Within Managed Operations the following projects are underway: Mainframe Consolidation, Server Optimisation, Service Management Optimisation, Offshore & Global Sourcing, Optimising Datacenter Strategy, Renewing the Atos Origin Service & Voice Network, Standardised Portfolio alignment and Technical Consultancy, and End-to-End Desktop Optimisation.

Atos Origin has continued the cooperation with leading vendors such as Intel, Microsoft, EMC, Novell, SAP, FSC, Unisys, HP and Sun with the implementation of innovations such as remote management and security capabilities being built into Atos™ Workplace Solutions using Intel® vPro™ technology to improve IT services and increase user uptime. Also we have implemented new services in Storage and Computing on Demand and Shared Services.

Our services and solutions include:

6.1.1. IT infrastructure outsourcing

- Atos Origin is one of the few companies that can provide all the "design, build, and operate" elements of a complete outsourcing solution. We are specialised in transforming the IT infrastructure and business operations of our clients to improve efficiency and performance. This includes managing datacenters, network support and desktop support operations. Our outsourcing services are supported by proven organisation and methods, processes, and tooling, all of which are ISO 9000 and BS7799 accredited, to ensure consistent service-level delivery on a worldwide basis.
- **Atos™ Workplace Solutions** – Providing enterprise support services for desktop PCs and mobile devices such as laptops and PDAs. The centrally managed services provide secure, flexible workplaces for a fixed low price per user/month, realizing significant savings. Our services include Workplace Transformation for modernisation and standardisation, application distribution, management and support, and Global Service Desk for multi-channel IT support, provided on a 7x24 basis.
- **Atos™ Application Management** – This keeps an enterprise's applications updated and tuned for best performance. We use a scalable, flexible-growth model for application management and an ITIL-compliant Continuous Service Delivery Model for highly efficient global delivery processes. This allows enterprises to improve their business efficiency and achieve regulatory compliance. And, by establishing Service Level Agreements using unit of work-based pricing, we can provide significant reduction in the Total Cost of Ownership (TCO).
- **Atos™ Infrastructure Services** – Providing infrastructure management services ranging from Remote System Management, Secure Datacenter Hosting to Utility Services. Our proven methodologies for datacenter and server consolidation enable us to standardize all your IT elements and provide services on a pay-for-usage, "utility" basis. This approach provides the transparency needed to improve user accountability, control IT resource consumption, and enable regulatory compliance.
- **Atos Professional Services** – Providing Technical Consultancy and Assisted Transformation (infrastructure transformation without outsourcing performed by mixed teams in projects with risk-reward mode), and the Global Management of T&M services, where Atos Origin acts as a first-level supplier, manages T&M requests and delivers services, according to SLA's, either directly or through partners. A new service in this area is Green Consultancy, where Atos Origin will provide sustainability support via green assessments to full green data centre management.

To deliver this, Atos Origin offers different engagement models according to the needs of an organisation. This variety of engagement models provides the needed commercial flexibility for making the engagement "fit" with the client. The traditional approach is through an outsourcing arrangement with the client. However, other ways in which Managed Operations has engaged clients is through Joint Ventures, Business Process Outsourcing (BPO), T&M, Transaction Based models, SLA Based, Fixed Price or Bespoke contracts and Global Sourcing.

Ensuring world class quality and service delivery is a key success factor for implementing Global Sourcing strategies. Our global delivery capabilities include offshore service desks and support centers in India, Malaysia, Poland, Surinam, Morocco and Brazil. This complements our existing onshore and nearshore delivery centers. Atos Origin India has been assessed at CMMI Level 5 and all our Global Sourcing Centers to the highest levels of ISO 9001:2000 and the SEI Capability Maturity Model (CMM and CMMI).

In addition to the above, Atos Origin has three specialised businesses with substantial growth potential.

6.1.2. Atos Worldline–A European leader in electronic transactions

- Atos Worldline is a major European player in the processing of large-volume electronic exchanges, and a European Leader in Payment services. It designs, develops and operates IT services and solutions in three major fields, end-to-end Payment services, CRM and eServices. Atos Worldline shares datacenters with IT infrastructure.

  Atos Worldline offers its clients a unique value proposition and supports them so they can differentiate from their competitors:

  - High quality end-to-end services across the world;
  - Productivity and cost efficiency thanks to volume aggregation across Europe;
  - Personalised services: customised solutions and price per transaction, based upon clients' business criteria;
  - Guarantee of innovation and future proof services, thanks to a strong focus on Research & Development and a long-term commitment.

  Based on expertise in end-to-end IT solutions for end-user applications, this core business is divided over three specific domains: end-to-end Payment services (including Issuing, Acquiring, and developing payment technology solutions), card processing, CRM and eServices.

Payment/Acquiring

Atos Worldline develops and processes tailor-made Acquiring services for all types of payment. By Acquiring we understand: receiving electronic financial data from merchant related to a payment transaction, and processing that data. Atos Worldline expertise includes:

- Acquiring processing;
- POS authorisation – Routing – Transaction processing – Commission billing;
- Call center for retailers – Contract management – Claim handling;
- Selling, renting, installation of terminals;
- Development of terminals;
- Solutions for Payment providers.

Payment/Issuing

Atos Worldline develops and processes tailor-made Issuing services for all types of payment. By Issuing we understand: processing and management of cardholders' transactions. Atos Worldline expertise includes:

- Authorisation server – Card Management processing;
- Fraud management;
- Call center for cardholders;
- Solutions for Payment providers.

CRM & eServices

Atos Worldline develops tailor-made Customer Relationship Management services fully combined with multichannel services in order to foster customer loyalty and customer management across interaction channels. Atos Worldline expertise includes:

- Internet applications processing (eTrading, eCommerce, eMessaging, ePublishing);
- Loyalty programme management – Data mining – Customer intelligence – Dataware house – Geomarketing;
- Mobile services (SMS, MMS, Wap, IP services);
- Virtual call center – Interactive Voice Response – Voice recognition – Web call center;
- Development and hosting of Internet services.

With a strong focus on technological innovation, Atos Worldline builds on a combination of expertise to implement its solutions in a BPO or in-house mode. Atos Worldline delivers innovative and future-proof solutions and platforms through Solution Centers and investing in R&D, flexible processing platforms (SOA Services Oriented Architecture, Java, MDA) and secure, powerful and scalable technical architectures.

Atos Worldline has been committed to implementing new technologies, creating new uses and new products for over 30 years. It has acquired a strong reputation as a professional European Partner of the banking, telecoms, retail, public sector and healthcare markets with a sound background in functional application management and for understanding the global environment and market context of the service. Furthermore, Atos Worldline has developed a successful and original approach with its key clients through a "win-win" model, offering to share investments and revenues. In order to achieve this, every year 10% of our operational profits is invested in Research & Development in domains which will make all the difference in mass transaction management in the future: voice over IP, the convergence of voice/data in mobile 3G telephone technology 3G, RFID, secure payments (particularly mobile payments), video on demand, electronic ink, etc.

- Capital Market and Clearing Settlement – Following the announcement made on 12 December 2007 resulting on the separation of the Capital Market and Clearing / Settlement activities from stock exchange activities in Atos Euronext Market Solutions, Capital market and Clearing and Settlement should join Atos Worldline in 2008 after the completion of the transaction. These two activities process financial flows which are complementary to the payment by cards and therefore to card processing, particularly on the MIFID implemented on 1 November 2007.
- **Atos Healthcare** – Atos Healthcare was set up on 19 June 2007 in response to a growing demand from private and public sector organisations for a joined up approach to healthcare delivery. It combines the Business Consulting, Systems Integration and Managed Operations with the Medical Services operations. Medical Services is reforming the delivery of Work Related and Primary Healthcare using IT, BPO methodologies and leading edge Clinical Governance. It delivers disability assessment medicine, occupational health, medico-legal services and primary care services that touch the lives of over two million people in the United Kingdom. Its clients include the NHS, major government departments, public sector authorities and private companies. Medical Services employs 1,400 people, including 450 medical professionals, and operates from a nationwide network of over 250 medical facilities. It also engages a further 1,500 medical professionals with the support and mentorship of our medical leadership team.

  Atos Healthcare Medical Services works closely with leading healthcare authorities and is involved in many strategic initiatives that are transforming the delivery of primary healthcare. For instance, we were the first organisation in the United Kingdom to establish and run a privately operated NHS walk-in center to provide GP services without an appointment. Working with an extensive team of medical professionals, operational managers and support staff, we deliver modern healthcare solutions based on an uncompromising commitment to the highest standards of clinical excellence, innovation and value for money. In 2007 the Atos Healthcare walk-in centers were awarded the "best healthcare project" and the overall "grand prix" at the prestigious Public:Private awards event which recognises the very best collaborations between government and the private sector.

  There are three types of Medical Services:
  - NHS Walk-in Centers:
    - Primary care centers in busy areas or business centers,
    - Adapt the healthcare offering to modern life,
    - Provide access to healthcare that is convenient to the user;
  - Occupational Health:
    - Proactive prevention,
    - Decreasing the amount of sick days,
    - Improving productivity and giving a real ROI;
  - Medical Assessments:
    - General Incapacity and Disability assessments for Department for Work and Pensions,
    - Medical risk assessments for insurers.

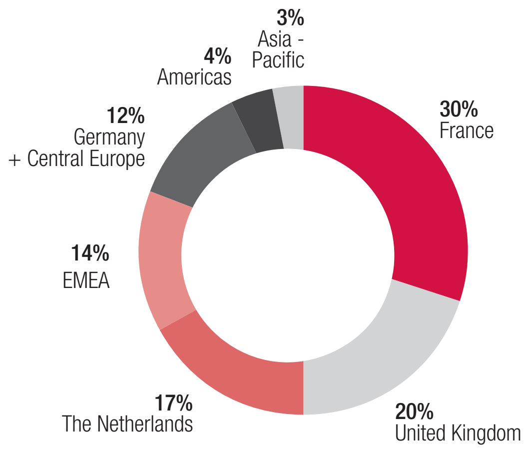
Within Managed Operations our services continue to benefit from a number of key differentiators. Our investment over the last 10 years in establishing a consistent, high-quality, global service delivery capability based on ITIL has ensured that services are delivered effectively and reliably. We are also sensitive to the needs of our staff and take particular care that newly in-sourced employees quickly find their place in the Group. Finally, we work to ensure a good cultural fit with our clients. We understand the need to develop strong, transparent and long-term relationships with clients and have a policy of developing effective local management in all countries where we operate, to balance our globally aligned services with local understanding and knowledge.

6.2. Summarised trading

(in EUR million)	**FY07**	FY06	**% growth**
Revenue	3,157	2,749	+14.9%
Operating Margin [(a) (b)]	274.3	234.4	+17.0%
% margin	8.7%	8.5%	+0.2 pt
Staff year-end	23,244	22,126	+5.0%

(a) Before equity based compensation.
(b) After Global Service lines costs.

Revenue breakdown by country



6.3. Future development

We expect that in 2008 IT outsourcing activities are set to grow constantly, especially in the Financial, Central and local Public, Utilities, Manufacturing and Healthcare markets. Traditional infrastructure deals are also likely to expand to increasingly include project-related services and application management. Global delivery adoption is also set to increase with two emerging offerings which will be application and infrastructure management. In the meantime, selective outsourcing with multiple providers will continue to be pursued.

Cost reduction will lose its "unique driver" role and will be increasingly supported by gains in flexibility/scalability, specific technical skills and improving efficiency. New initiatives will include datacenter consolidation, data security controls, legacy system modernisation, ERP implementation and application utility.

There will also be a shift from license-based to usage based contracting *e.g.* SAP, Exact, Salesforce.com (SAAS) and the multi-client sharing of utility services such as standardisation, automation, virtualisation, security and reliability will reduce price and increase flexibility. Our set of infrastructure transformation services already includes datacenter consolidation and server consolidation. These offerings can be tailored to specific customer requirements but continue to address the concepts of the "virtual datacenter" and "utility shared services".

Atos Origin will continue to enlarge its services in the area of Green IT computing form Green IT assessments to the complete implementation and management of Green Datacenters and Infrastructure management as part of the sustainability efforts.

There will also be an expansion of our Technical Consultancy services as part of Professional Services. This will provide more benefits to our customers to align and optimise their IT services as a business enabler.

Major new developments in 2008 from Atos Origin will also include more Value Added Solutions in workplace management such as Virtual Office applications and Web-services, extensions in ERP/SAP Adaptive computing, additional Oracle application management, new advanced Storage on Demand utilities services, constant effort in Unix and X86 platforms for growth at market rates, implementation of a new Portal for Helpdesk and Customer Communications and Unified Communications in workplace management as part of the Global MO Factory.

As far as 3O3 programme is concerned, future development includes:

- Mainframe consolidation to Essen: in 2008 and 2009, Managed Operations will pursue the consolidation program of the IBM mainframe from France and the United Kingdom to our German Essen based twin datacenter, building a more than 25,000 MIPs factory.
- Nearshore and offshore centers: Managed Operations plans to continuously increase the size of its nearshore and offshore remote centers. In 2009, more than 30% of our remote managed services will be delivered from these centers.
- ITIL compliancy: Managed Operations will continue to rollout its ITIL compliant continuous service delivery model (CSDM) across our worldwide operations, with a plan to have 70% of the staff fully trained to CSDM in 2009.
- Service desk and server management optimisation: by sharing process optimisation, best practises and increased automation, Managed Operations will increase the number of managed calls per analyst and the number of managed servers per FTE by more than 25% by the end of 2009.

7 » 3O3 TRANSFORMATION PLAN

Focusing our Efforts and Driving Change.

A Transformation Plan has been launched with 3 objectives over 3 years to accelerate the organic growth, improve efficiency and operate as a global company. The financial targets are to significantly increase the operating margin between 2006 and 2009 under the assumption of cautious organic growth, and to generate a strong corresponding free cash flow.

The Transformation Plan is centered on 7 initiatives. It is divided into more than 70 projects and it impacts all countries of Atos Origin.

The 7 initiatives which are detailed below are the following:

1. **Sales** – Optimisation of Sales efficiency and increase organic growth;
2. **Industrialisation efficiency** – Through standardisation of processes and tools;
3. **Global Sourcing** – Targeting 20% in offshore and nearshore by end 2009 in Systems Integration;
4. **Managed Operations Global Delivery** – To ensure standardised, consolidated global delivery;
5. **Talents** – A strong Human Resources programme to attract, develop and retain best people;
6. **Finance, HR, and IT Support Functions** – Stronger and more efficient key functions;
7. **Purchasing** – Global purchasing to reduce costs.

Achievements 2007

In 2007, the Transformation Plan has already achieved a number of overall measurable results. These include:

- in Systems Integration, the definition of a common organisation based on a factory model, the implementation of common processes and tools and the roll-out of a productivity measurement tool across the main countries;
- the finalisation of CMMI3 certification for all our development centers except Armenia, Morocco and Germany;
- the boost of the existing Indian operations resulting in a combined annual growth of 78% through:
  - the implementation of a new governance model which has significantly increased the incentives for demand countries to move work to offshore locations,
  - an aggressive recruitment campaign, resulting in a doubling of net joiners per month in 2007,
  - the opening of new facilities in Mumbai, Pune and Bangalore;
- the creating or expansion of global sourcing capacities in Morocco, Brazil and Armenia;
- the achievement at the end of 2007 of a significant adaptation plan in France between onshore and closeshore locations leading to 600 staff departures or training agreed to be executed in 2008
- the acceleration of consolidation of mainframe activities into one center in Germany with Italy and Netherlands closed;
- the closing of six datacenters;
- the hiring of a Central Purchasing Officer coming from the industry and the launch of over 60 projects in several categories through a new centralised organisation.

The individual achievements for the seven project initiatives are detailed hereafter.

7.1. Sales

7.1.1. Sales initiative objectives

Within the objectives of the Transformation Plan, the objective of the Sales Initiative is to:

- **Accelerate organic growth through:**
  - the creation of a strong sales culture and increased competence and motivation of the sales force,
  - delivering more added value for the customer through the introduction of Global Markets and innovation as an additional dimension to countries and service lines,
  - more cross-selling and up-selling of solutions and increased leverage of existing solutions through a group-wide push-approach;
- **Increase operational efficiency by:**
  - homogenous and aligned sales organisations, processes, tools and governance rules to maximise efficiency between sales and delivery;
- **Improve ability to operate as a global company by presenting:**
  - one single face to the customer,

- consistent standards for both sales and delivery across the Group.

7.1.2. Sales initiative achievements

During 2007, this initiative has delivered the following achievements:

- **Reinforcing of Global Markets function** – The mission of the 7 key markets (Financial Services, Telecom & Media, Manufacturing, Retail, Energy & Utilities, Public Sector, Health) has been reinforced to include:
  - the design of the sales strategy and the development of international business,
  - the promotion of distinctive offers to clients,
  - the management of the service portfolio in conjunction with the Service Lines,
  - support for international and cross service lines bids.
- **Increased efficiency of the sales cycle** – A more homogenous sales organisation has been created throughout the Group and the countries, governed by the same rules and processes and supported by the same tools. As a result, Atos Origin is able to show a more "global face" towards the customer who will in turn benefit from seeing and dealing with the same organisation, mode of operations and standards across the Group.
- **Establishment of the Atos Origin University for Sales and Markets** – This facility is crucial to the development of a strong and sustainable sales culture within the Group. The Sales University is now fully operational and the Group has entered into a partnership with BiMBA, one of China's leading business schools.
- **Sales Career Path** – In coordination with the Atos University for Sales and Markets, a precise sales career framework has been designed and an evaluation of the salesforce has been performed.

7.2. Industrialisation

7.2.1. Industrialisation initiative objectives

Within the objectives of the Transformation Plan, the objective of the Industrialisation Initiative is to:

- **Accelerate organic growth through:**
  - freeing up of resources to fuel organic growth,
  - gaining higher competitiveness and increase the win-ratio;
- **Increase operational efficiency by:**
  - decreasing cost of delivery and project slippage by more than 1% of external revenue,
  - decreasing the number and severity of delivery accidents,
  - increasing engineering productivity per function point;
- **Improve ability to operate as a global company by:**
  - sharing of best practices,
  - enabling global delivery: same processes & same tools,
  - better measurement and benchmark of operational KPIs across geographies.

Industrialisation is also a very important enabler for Global Sourcing since it introduces standardised processes with transferable deliverables across all development centers.

7.2.2. Industrialisation initiative achievements

This initiative has been structured around industrialisation of methodology and tools for application development and application maintenance based on the main operational processes:

The **Business Requirements** project increases the productivity and predictability of the software engineering process through developing and managing requirements specifications of high quality (build-able and test-able).

The **Software Production Line** project covers the overall efficiency improvement of the whole software lifecycle by creating "software factories" in which application development and application maintenance are executed in an industrialised fashion operating at cost at CMM3 level to optimise development and maintenance.

The implementation of a **Testing Factory** is industrialising the software testing process leading to a reduction of 20% of the testing effort, improved test quality and reduction of elapsed time through 24/7 testing capabilities.

The **Productivity Management** project is providing a standardised method tooling for estimation and is making productivity measurable. Function Point Analysis (FPA) is being deployed as the standard for productivity measurement.

Through improved **Project Management,** the process and tooling to enable project managers to take business responsibility for their projects is being reinforced, thus reducing project overrun and administrative work.

Through the **Application Mining** project, efficiency in Application Management is improved, while better support is being provided to the application management community over the entire application lifecycle.

The objective of the **Configuration Management** project is to implement best-in-class standards to manage all configuration items that are being used, built and maintained. The scope comprises all configuration items including documents for development projects and application management.

During 2007, this initiative has delivered the following achievements:

- For each of the above-mentioned projects, teams involving experts of all main countries designed blueprint solutions on the basis of best practices existing in the Group and recognised market standards. The blueprint solutions include processes, organisation, tooling and approach to people & change ;
- The purchase of several tools has been completed in the second half of the year ;
- Furthermore, a common strategy for the use of tooling based on a Shared Services Center approach on a cost-per-seat basis was defined and agreed, ensuring cost effectiveness and common processes and deliverables. The Shared Services Center has gone live in Q4 2007 ;
- A new common governance based on a software factory model was defined and the buy-in of all Systems Integration country managers on these solutions was achieved. The general roll-out of this governance model will start in 2008 in all the Atos Origin countries ;
- CMMI3 certification has been accelerated. Except for Armenia, Morocco and Germany, all development centers are now at least CMMI3-certified.

7.3. Global Sourcing

7.3.1. Offshoring initiative objectives

Within the objectives of the Transformation Plan, the objective of the Offshoring Initiative is to:

- **Accelerate organic growth through:**
  - enhanced competitiveness (lower blended rate) to increase the attractiveness of propositions and win new clients,
  - access to a broader resource pool to better answer our clients' needs,
  - higher growth through increased ability to recruit on- and offshore;
- **Increase operational efficiency by:**
  - having "activities performed where they belong", offering right mix of price, customer proximity and skills,
  - Global Sourcing and Industrialisation working jointly, industrialisation being a pre-requisite to Global Sourcing;
- **Improve ability to operate as a global company by:**
  - the compensation of resource shortage in Europe,
  - identical governance and standards of delivery of services, irrespective of where they are produced.

These objectives will be achieved by growing the amount of work delivered from Offshore and Nearshore locations from 3% in 2006 to 15% in 2009.

	2006	2007	Target End of 2009
Total Group	**1,585**	**3,001**	**8,000**
Systems Integration	969	2,134	6,100
Managed Operations	616	957	1,900

7.3.2. Global Sourcing initiative achievements

During 2007, this initiative has delivered the following achievements:

- In order to balance its global sourcing capabilities, Atos Origin launched projects to strengthen existing offshore, nearshore and closeshore sites in the following locations:
  - India (offshore),
  - Brazil (offshore),
  - Morocco (nearshore),
  - Spain (closeshore),
  - Italy (closeshore),
  - Germany (closeshore).
  - Armenia (nearshore)
  - Malaysia (offshore)

Furthermore, the Group has initiated pilots in new offshore and nearshore centers in other locations. During 2007, the Group almost doubled its staff organically in offshore.

1. **India**

- Transformation of the operations into a shared service center organisation working on a cost-basis, creating a significant incentive in European countries to move work to off - and nearshore locations.
- Increase of staff by 78% from 1,300 FTEs (end 2006) to 2,500 FTEs (end of 2007).
- Continuing to increase the level of demand for offshoring from countries such as The Netherlands, the United Kingdom, Germany, France and the US.

- Speeding up recruitment, producing approximately 100 net additions on average per month since May 2007, with peak recruitment of 150 staff per month and overall decrease of attrition.
- Start of presence in Bangalore, with a plan to grow capacity to 400 seats.
- Implementation of a second site in Mumbai and decision to start building a campus in Pune in 2008 with the objective to reach 3,000 staff at the end of 2009.
- Transfer of all internal technical and application maintenance work, such as the support of the internal ERP system, to India.

2. **Brazil**

- Opening of a new platform in Curitiba, thereby extending the Group's presence in Brazil from its current São Paulo location (currently, 1,500 FTEs working mostly for subsidiaries of large European clients).
- Through the new center in Curitiba, which is about 20% more cost competitive than São Paulo, the Group will address both the domestic market (closeshore) and the US and Spanish market (offshore).

3. **Morocco**

The development of the Group's nearshore center in Morocco has gained speed and scale thanks to the following factors:

- The acceleration of the Managed Services (infrastructure) implementation: Atos Origin already provides desktop services and is extending to server management.
- The signature of a strategic deal with a Financial Services institution.
- Other French customers being increasingly eager to carry out nearshore projects for reasons of lower price and same time zone.
- Headcount reaching 166 FTEs at the end of 2007, the target being above 600 in 2009.

4. **Armenia**

- Start of a center specialising on Mainframe technologies, for which profiles are costly and hard to find in traditional offshore locations, through a partnership with a local player.
- Extension of the skill base from these legacy technologies to Websphere technologies in H2 2007.
- Excellent customer feedback regarding the quality of delivery in Armenia strongly motivating the intention to grow this center further.

5. **Spain**

- Closeshore center in Valladolid reaching its target of 90 staff.

For **Systems Integration,** the overall target mix for Systems Integration in 2009 is:

- 40% of services provided onshore;
- 40% of services provided closeshore (province);
- 20% of services provided near- and offshore locations.

In Managed Services, Global Sourcing will develop from 600 staff (end of 2006) to 1,900 in 2009 in the Service Desk, Server Management and Monitoring activities in India, Malaysia, Poland and Morocco. Offshore sites have been assessed and action plans have been set up in order to guarantee their capability to increase their activity.

7.4. Managed Services Global Delivery

7.4.1. Managed Services Global Delivery initiative objectives

Within the Transformation Plan, the objective of the Managed Services Global Delivery initiative is to:

- **Accelerate organic growth through:**
  - Developing attractive offerings (Twin datacenter technology, Server virtualisation, Storage on demand, etc.),
  - Remaining competitive and facing structural market price erosion;
- **Increase operational efficiency by:**
  - Improving productivity through standardisation, automation in a global service delivery model,
  - Optimising capacity through consolidation and rationalisation,
  - Developing Global Sourcing centers;
- **Improve ability to operate as a global company by:**
  - Industrialising, unifying, and systematising tools and processes,
  - Creating a Global Service Delivery model implemented across Managed Services.

7.4.2. Managed Services Global Delivery initiative achievements

Ten projects (including Global Sourcing in Managed Services) have been launched worldwide with a special focus on 4 key countries: France, Germany, The Netherlands, the United Kingdom. The 3-year plan for all technical projects has been defined and their execution has started.

During 2007, this initiative has delivered the following achievements:

- **Mainframe Consolidation** – In order to increase the competitiveness of the Mainframe activity, the Group has decided to consolidate all the European mainframe activities into one single mainframe center located in Germany:

  - Dutch and Italian mainframe activities transfers have been completed in 2007, and the transfer of the French mainframe activities is being initiated (United Kingdom move will be re-assessed in 2009),
  - creation of the European competence centers, which will be implemented in 2008. Those centers will drive productivity improvement with the mainframe operations;
- **End-to-end Desktop Service Optimisation** – In order to improve the efficiency of the different levels of support of the Desktop Services, the following actions have been launched:
  - implementation of ITIL processes,
  - standardisation of Call Center solutions,
  - implementation of Self-support tooling (resulting in fewer calls being processed), through voice servers and service portals,
  - improvement of global tooling (ticketing systems, asset management, reporting, etc.).

  Consequently:
  - first-call resolution rates of the Service Desk have improved (hence less resources mobilised for the same number of calls),
  - ramp-up of volumes processed in selected offshore countries (Poland, Malaysia, Morocco and Surinam);
- **Server Management Optimisation** – In order to improve the productivity and efficiency of this activity the following actions have been launched:
  - implementation of a global service delivery architecture for Server Management,
  - development of Server virtualisation and Storage on demand solutions,
  - ramp-up in the volumes processed in selected offshore countries (India, Poland and Morocco);
- **Datacenter Consolidation** – In order to optimise the number of Global Datacenters (from 40 in 2006 to 34 at the end of 2007) offering cost-efficiency, high-level and secured equipment, the following actions have been launched:
  - launch of the implementation project of twin datacenters' in each main country,
  - rationalisation of the datacenters' space,
  - investigation in financial solutions for Capex optimisation,
  - closing of 6 datacenters, 10 more being to be rationalised until 2010;
- **Service and voice network** – In order to provide a cost-effective network solution to the cross-border activities within the Group, an optimisation project of the global service network has been launched;
- **Service Management Improvement** – Harmonisation of the service management process and tooling over countries in order to provide the required infrastructure for delivering the global services and contributing to cost optimisation.

7.5. Talent Management

7.5.1. Talents initiative objectives

Within the objectives of the Transformation Plan, the objective of the Talents initiative is to:

- **Accelerate organic growth through:**
  - developing a pool of high performing employees to fill key positions, to prepare for changing business models and for a more global working environment,
  - increasing the ability to develop and retain the best talented people;
- **Increase operational efficiency through:**
  - standardised and homogenous HR processes, tools and solutions to support Talent Management effectively and allow HR staff to focus on value added tasks;
- **Improve ability to operate as a global company through:**
  - fostering global and international mindset through increased mobility.

7.5.2. Talents initiative achievements

During 2007, this initiative has delivered the following achievements:

- Reduction of attrition rate below 15%;
- Appointment of a very experienced and dedicated talent manager;
- Improvement of the main talent development processes through the implementation of a new online Global Performance Management, the strengthening of the Atos University and the Global Leadership Development Programme GOLD and the launch of a new international mobility and development programme (RELAY);
- Good progress on the active management of individual development plan execution and the development and implementation of career paths;
- Review of the key positions and position of jobholders in the organisation and the identification of the pool of top talents validated by the Executive Committee;
- Implementation of Project Management and Technical Architects training and career framework;
- Drafting of a recruitment strategy.

7.6. Finance, Human Resources and IT

7.6.1. Finance, Human Resources and IT initiative objectives

Within the objectives of the Transformation Plan, the overall objective of the Finance, Human Resources and IT initiative was to:

- **Accelerate organic growth through:**
  - improved ability to deliver high value added services:
    - optimise profitability of organic growth,
    - enhance predictability,
    - ensure complete reliability of information;
- **Increase operational efficiency by:**
  - accelerating and increasing the efficiency of support to business and employees:
    - enhanced Finance efficiency and cost monitoring,
    - efficient HR systems with Employee and Management Self Services,
    - consolidation of back-office functions into Shared Services Centers;
- **Improve ability to operate as a global company by:**
  - effective support for the design and implementation of the Group strategy,
  - proactive monitoring of the evolution of service offering and pricing, customer profitability and the talent labour market,
  - helping Atos Origin to operate globally through move from customized local solutions to single global applications;
- In 2007, the **specific focus of the Finance initiative** has been on:
  - the implementation of a new financial organisation and governance where all the country CFOs report directly to the Group CFO,
  - the standardisation of processes and systems,
  - the design of a Shared Services Center;
- The **HR Initiative** has focused in 2007 on:
  - the Personnel administration and Payroll Process for which costs have to be reduced and the service level to be improved,
  - the training process for which the following objectives have been achieved:
    - a more global approach led jointly by HR and the Operations,
    - closer involvement of purchasing,
  - the recruitment process, for which a better balance between internal recruitment staff and external suppliers of hiring services has been implemented;
- The **specific focus in 2007 of the IT initiative** has been on:
  - establishing a governance model to better support Business objectives (Single IT Organisation, Customer Advisory Boards),
  - optimizing Infrastructure costs via common solutions deployed globally (Helpdesk, Hosting),
  - achieving standardisation, simplification and economies of scale of the IT function, thus improving support to the business, reinforcing control and achieving measurable margin impact,
  - developing the internal IT tools and infrastructure of Atos Origin as a showcase for its clients.
  - reversing the current pattern of IT development to 70% central – 30% local,
  - helping Service line & Support function defines target business processes and develop future ERP in line with Atos Origin future business model.

7.6.2. Finance, Human Resources and IT initiative achievements

Finance has delivered the following achievements:

- Implementation of a new Group controlling organisation in order to reinforce the control of the operations and to better support the business;
- Centralisation of expert functions (Treasury, Tax and Internal Audit) in order to optimise the cost base and improve efficiency;
- Streamlining of Group Financial processes in order to implement the foundations of the new Group ERP;
- Completion of Business case of the Shared Service Centers and decision to implement them;

Human Resources have delivered the following achievements:

- The streamlining and reengineering of four main HR processes towards a common core-model interfaced with the countries:
  - personnel administration and payroll,
  - training,
  - recruitment,
  - HR Purchasing in coordination with the Purchasing initiative;
- HR services Centers:
  - business case of the Shared Service Centers,
  - one common center to be built for each European country and one common Centre at European level;
- HR Function Efficiency improvements:
  - HR job mapping and function upskilling,
  - related change management actions (on-going).

IT has delivered the following achievements:

- After the hiring of a new Group CIO who joined the Group in May 2007, Atos Origin has implemented an efficient and centralised Business Process and IT organisation under a common management;
- The preparation of all new systems and adjustments to existing systems that will support all new processes in all areas.

7.7. Purchasing

7.7.1. Purchasing initiative objectives

Within the objectives of the Transformation Plan, the objective of the Purchasing Initiative is to:

- **Accelerate organic growth through:**
  - early involvement of Purchasing in the pre-sales process in order to optimise the competitiveness of offers,
  - implementation of a monitoring system to track & log savings in income statement;
- **Increase operational efficiency by:**
  - margin improvement thanks to purchasing savings,
  - alignment of the information structures across countries,
  - ensuring that all purchases are covered by purchasing departments,
  - involving Purchasing in budget process;
- **Improve ability to operate as a global company by:**
  - earlier and stronger involvement of Purchasing in strategic decisions and in the specification process.

7.7.2. Purchasing initiative achievements

- Creation of a global, centralised purchasing organisation with strong category management to ensure rationalisation in specifications, demand management and supplier portfolio management;
- Early involvement of Purchasing in the pre-sale process;
- Alignment of all key stakeholders (Service Lines, IT, Finance) to maximise bargaining power with suppliers and extension of the scope of Purchasing to include management of all third party spend;
- Reduction, or optimisation, of the number of suppliers and a coordinated process for supplier referencing;
- Close monitoring of all purchasing initiatives to track savings and measure results;
- Transactional order processing under the management of Purchasing to ensure best practice process alignment and adequate controls;
- Global common database of suppliers and standardisation of coding.

2007 main achievements by categories

- Consolidation of and negotiation with several major software vendors;
- RFP and selection of a world wide software reseller;
- Definition of a standard and an e-auction for internal PCs;
- Acquisition of mainframe equipment;
- RFP for hardware maintenance in several European countries;
- RFP for global datacom services;
- Selection of second source as challenger for network equipment;
- European RFP for mobile telecoms;
- Consolidation, key supplier and process development in subcontracting;
- RFPs for major Corporate services;
- Deployment of e-booking tool for travel;
- Global or national consolidation for several non-IT categories;
- Launch of real estate plan in the main countries.

8 » CORPORATE SOCIAL RESPONSIBILITY

8.1. Living our values

Atos Origin employs approximately 50,000 people. Our core values and behaviours unify our diverse teams and form the basis for our actions, our attitudes and ultimately our sustained success. We aim to provide a good working environment and treat people with respect. We encourage our people to live our corporate values and we expect them to act with courage, loyalty and intellectual honesty. Our values also underpin the way we interact with our business partners, clients, suppliers and shareholders. This reflects our desire to participate in society as a responsible corporate citizen.

Customer Dedication

We listen. We devote energy to understanding clients' needs and challenges and commit to solving them. It's an essential part of building trust, building relationships and building business.

Commitment to Execute

We do what we say. We deliver results to our clients on time, on budget and to agreed quality standards.

Conviviality

We consider work a social place, with room for humour and warmth.

Entrepreneurship and Team Spirit

As a team, we share knowledge and think ahead to be creative and to find new opportunities. We manage the present and plan for the future.

Profitability

We are acutely aware that everything we do impacts upon our profitability, which is the foundation to secure our future.

H@RMONY

The Corporate Sustainability Implementation Programme of Atos Origin is named H@RMONY and forms the basis for the management of Corporate Social Responsibility (CSR) activities. The purpose of H@RMONY is to encourage innovation and leadership on sustainable development and corporate responsibility in Atos Origin by providing independent guidance and definition of Atos Origin's activities, including:

- Defining key areas of CS (Corporate Sustainability); including a sustainable development strategy and associated performance, with future objectives, targets, performance measures, policies, stakeholder relationships, governance and external communications;
- Ensure Atos Origin pays due reference to difficult or uncomfortable issues;
- Bring independent scrutiny to bear on Atos Origin's understanding of critical societal issues; and
- Advise on new or significantly altered social and environmental reporting requirements.

Atos Origin is a global IT Services sector organisation, which is people based delivering contracted IT related systems and services to clients within a supply chain dynamic. It is in this context that Atos Origin Group has shaped the H@RMONY programme by accepting the United Nations Global Compact principles as the highest guiding framework and then making realistic and tangible connections with its place in the IT Service sector and following the 3 P's approach, being People, Planet and Profit.

The components of H@RMONY vary in emphasis and priority due to the nature of the IT Services market sector in which we operate; however the core programme follows a globally accepted *de facto* with UN Global Compact Ten Principles components which are these:

- Human Rights

  Atos Origin will:

  - Principle 1: support and respect the protection of internationally proclaimed human rights;
  - Principle 2: make sure that they are not complicit in human rights abuses.
- Labour Standards

  Atos Origin will uphold:

  - Principle 3: the freedom of association and the effective recognition of the right to collective bargaining;
  - Principle 4: the elimination of all forms of forced and compulsory labour;
  - Principle 5: the effective abolition of child labour;
  - Principle 6: the elimination of discrimination in employment and occupation.
- Environment

  Atos Origin will:

  - Principle 7: support a precautionary approach to environmental challenges;
  - Principle 8: undertake initiatives to promote environmental responsibility;

- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

- Anticorruption

  Atos Origin will:

  - Principle 10: work against corruption in all its forms, including extortion and bribery.

H@RMONY Mission

Atos Origin is committed to integrating the principles of Corporate Sustainability into its business operations, with the objective of producing tangible results in the achievement of sustainable global development within the IT services industry.

H@RMONY Values

The following values are seen as important to achieving the Atos Origin Corporate Sustainability mission:

- Enable our stakeholders to verify our H@RMONY ambition;
- Management commitment to open and transparent reporting of Corporate Sustainability achievement;
- Continuously improve our own way of working;
- Enable our customers to become more sustainable;
- Deliver our services in a sustainable manner;
- Ensure our significant suppliers, subcontractors and partners comply with our sustainability requirements;
- Comply with applicable legislation and laws governing Corporate Sustainability in each country it operates in.

H@RMONY Strategy

The following strategic steps are seen as important to establish the Atos Origin Corporate Sustainability values:

- Implement a performance management system for Corporate Sustainability;
- Implement a standard for public reporting according to the GRI (Global Reporting Initiative) principles;

  a) As well as official Corporate Sustainability public reporting, progress of the H@RMONY programme will be reported internally and externally;

- Regularly have an independent audit on our Corporate Sustainability programme;
- Create awareness of the Corporate Sustainability programme:

  a) Provide the means for our people to contribute to the Corporate Sustainability programme;

  b) Stimulate and enable our people to contribute to society;

- Enable our customers to become more sustainable by offering them innovative services and technologies;
- Deliver our services in a sustainable manner;
- Implement an Atos Origin Supplier Conduct Principles process, which contain sustainability requirements.

8.2. Our people

Within Atos Origin Group we have various Global Human Resources policies in place that relate to:

- Compensation and Benefits;
- Pensions;
- General HR;
- People development;
- International employment and Recruitment.

In addition, on a local level we have Human Resources policies in place that are adapted to local situations and legislation.

Atos Origin Group does not currently hold globally applied certification for Social Accountability as this standardisation is not primarily aimed at the IT services sector. However, the Group finds that Social Accountability is an important corporate responsibility and therefore the Group aims to comply with the intent of the SA8000 standard through the policies, codes and core values that it has adopted. All of the Atos Origin Group global and local HR policies, programmes and procedures have at their core aspects which pertain to the Atos Origin Group Corporate Sustainability programme:

Diversity

We are a global company, which respects and values the personal and cultural diversity available to us. Atos Origin is committed to a work environment where employees are all treated with respect and dignity, promoting equal employment and opportunity and prohibiting unfair discrimination and any form of harassment. Equal job opportunity and non-discrimination are fundamental principles within the Group.

Social Dialogue

We continue to pursue the implementation of ethical and social rules with a strong focus on the values of Respect, Integrity and Conviviality within the Atos Origin Group. Present in 40 countries worldwide, the Group's strength lies in its global culture and richness of diverse cultures. A Global Internal Communications policy is in place to guide our employees in pursuing this. As a listed organisation we abide to all regulations on corporate governance and comply with all UN conventions mentioned.

Recruitment Policy

The global recruitment policy is the first step in developing our employer image and creating a process to support it. For many applicants the Atos Origin recruitment process will be one of their first encounters with our Company. Therefore the impression we create during this process is critical. The global recruitment policy provides guidelines with regards to how we need to behave to support a positive employer image.

Compensation and Benefits

Atos Origin has market competitive and flexible reward systems that drive performance and are aligned with business objectives. Our compensation and benefit policies and packages are designed to attract, motivate and retain the best employees in the market and aim to reward individual and team performance and contribution to the Group's success. Our employee benefit packages support staff and their families, taking into account specific local market practice and specific employee needs. We regularly benchmark our total remuneration packages and participate in industry specific and general compensation surveys.

Child Labour

Atos Origin asserts that no child labour is employed by the Atos Origin Group, based on local regulations. The nature of IT Services requires higher education. Our IT staff therefore consists of graduates from universities and high schools. Most of them have attended 3 to 5 years of higher education after secondary school. As such, in general, the starting age of young professionals at Atos Origin is age 21-23. We do not differentiate between permanent and non-permanent staff in this respect. Atos Origin complies with local and international legislation regarding terms and conditions of employment including minimum age.

Forced Labour

Atos Origin asserts that no forced labour practices are employed by the Atos Origin Group.

Non-Discrimination

In accordance with the Atos Origin Code of Ethics, each Atos Origin employee shall be treated equally on the basis of his/her merits and qualifications, without consideration for race, nationality, sex, age, handicap or any other distinctive trait. Further all Atos Origin Group employees abide by the laws and regulations of the countries in which it operates.

Remuneration

Atos Origin asserts that wages paid for a standard working week shall always meet at least legal (or industry equivalent minimum) standards and shall be sufficient to meet basic needs of personnel and to provide some discretionary income.

Atos Origin also asserts that deductions from wages are not made for disciplinary purposes, and that wage and benefits composition are detailed clearly and regularly for workers. Atos Origin further asserts that wages and benefits are rendered in full compliance with all applicable laws.

Code of Ethics

The Group abides by the terms of the Human Rights Act and we are committed to ensuring that all of our employees work in an environment where they are free from discrimination, intimidation or any other form of harassment.

In accordance with the Atos Origin Code of Ethics, each Atos Origin employee shall be treated equally on the basis of his/her merits and qualifications, without consideration for race, nationality, sex, age, handicap or any other distinctive trait. Further all Atos Origin Group employees abide by the laws and regulations of the countries in which it operates.

The Group insists that all employees agree to abide by a Code of Ethics that prohibits all forms of illegal or immoral behavior. The Code is monitored as part of the Group's corporate governance procedures and the detailed terms of the Code are set out in the section "Corporate Governance" later. The Group monitors the standards adopted by our main suppliers and associates to ensure that their standards of behavior match our own.

Freedom of Association

Atos Origin complies with local regulations for unions, complies with freedom of association, protection and non-discrimination principles.

Working Hours

Atos Origin asserts that all employee working time agreements comply with applicable laws and industry standards on working hours. The employee normal workweek is defined within individual contractual terms of employment and always governed by applicable law. Generally speaking, the workweek does not on a regular basis exceed 48 hours, which is aligned to the European Working Time directive.

8.3. Contribution

At Atos Origin, we recognize the teambuilding and motivational opportunities afforded to our people by helping them to participate in community-related initiatives.

Atos Origin contributes to the communities worldwide and enhances their well-being and prosperity through global and local projects and initiatives. These mainly involve businesses and employees in local community projects, help for communities in need, humanitarian relief and medical research.

In the last years, many of our employees around the world have been committed to reaching out to their communities, through volunteerism, donations schemes, partnerships with humanitarian organisations, financial support. Here are just a few examples:

Right to Play

Atos Origin continues to support Right to Play, in the perspective to link our role in providing IT services to the Olympic Games with supporting an internationally recognised non-governmental organisation that is committed to improving the lives of children and their communities affected by conflict, poverty and disease by using best values of sport into opportunities to promote development, health and peace. Right to Play evolved from the Olympic Aid programme and was founded by four-time Olympic gold medalist, Johan Olav Koss.

Fight against Myopathy disease

In France, in December 2007, Atos Origin made available its SIPS solution – Secure Internet Processing Services – to the Telethon, which enables people to make donations through the Telethon website. All 15,000 Atos Origin employees in France were also involved in this cause, creating or contributing to local events organised in Atos Origin locations, to the benefit of the Telethon.

La Fondation de France

Atos Origin also encourages this kind of actions through the Recruitment policy: since April 2006, a partnership is established with "La Fondation de France": for each internal referral, in addition to the amount given to the employee who referred the new hire, Atos Origin gives a donation to "La Fondation de France".

The Atos Origin "Derde Wereld Fonds"

For more than 21 years, Atos Origin in The Netherlands has supported its "Derde Wereld Fonds" (Third World Fund) in association with Unicef, War Child and several Dutch organisations, and encourages its employees to raise funds to support charities and other organisations that help children in the Third World. The Derde Wereldfonds is committed to support people in third-world countries, helping them to improve their lives. We mainly support educational and health projects, especially for kids, and projects such as building a school and water pump installation in Burkina Faso, building a village centre in Sudan, buying a school bus in Cambodia and building a hospital in the Dominican Republic.

Orphanage Support

For years Atos Origin and its staff have sponsored the orphanage Monikahaus in Frankfurt-am-Main, Germany, which looks after over 60 children from families with a difficult social background. The main goals of Monikahaus are to safeguard the continued existence of these families and to offer the children a better chance in life. This project is supported by financial sources, some private sponsorship, fund-raising events and Christmas gifts and donations.

Running for the community

This year 25 employees participated in the 530 km. *RoPaRun* from Rotterdam (Netherlands) to Paris (France) with the aim to raise EUR 20,000 sponsor money to ease the lives of young cancer patients.

Blood Donation

Every year, Atos Origin is involved in various blood donation schemes. As in previous years, our Indian employees organised a blood donation scheme to help children suffering from Thalassemia major and encouraged its employees to actively participate and help fighting against this disease.

Mentoring & Leadership

Finally, another example of how Atos Origin employees contribute is through sharing their knowledge and experience. Employees share knowledge through publicizing experiences in the area of IT security developments, writing books and/or working as professors in Universities. One specific organised activity can be found in the UK where employees give their time on a regular basis to mentor individuals in the community. This includes volunteering in local primary and secondary schools to assist students to improve their communication, reading and coaching skills. They also assist head teachers in developing their strategic and human resource management, marketing & budgeting skills.

8.4. Environment

The respect of the environment and maximizing the preservation of the environment are important concerns for Atos Origin. The Supervisory Board is responsible for ensuring that the Atos Origin Group has policies in place and takes actions to maintain good standards of environmental management relevant in our businesses and that we meet or exceed all regulatory and legislative requirements. We are committed to environmental responsibility and factor environmental considerations into all of our business thinking. We are also dedicated to raising employees' awareness of environmental issues within our sphere of influence, for example energy and paper consumption, computer recycling schemes and the use of environmentally responsible suppliers.

It is for this reason that:

- Processes are in place to actively improve the efficiency with which finite resources (such as energy, water, and raw materials) are used;
- Appropriate management policies including operational and technical controls are in place to minimise the release of harmful emissions to the environment;
- Appropriate measures are in place to improve the environmental performance of products and services when in use by the end user;

- Innovative developments in products and services that offer environmental and social benefits are supported.

The Group's main environmental concerns are in the areas of energy use, paper consumption and the sourcing and recycling of computer equipment:

- The Atos Origin Group ensures that redundant computer equipment is safely disposed of or recycled by reputable agents. Atos Origin leases a substantial proportion of the IT equipment that it uses but takes steps to ensure that the leasing companies that it works with adopt appropriate procedures for equipment disposal;
- The Atos Origin Group also ensures that peripheral equipment and consumables, such as ink cartridges and waste paper, are properly recycled or disposed of. Where possible, the Group seeks to reuse or refill these items;
- The Atos Origin Group makes strenuous attempts to minimise its use of paper and other consumable items. Atos Origin is extensively involved in providing services to its clients that are designed to minimise paper document printing and distribution.

It is an important aim of our business to provide services that help our clients to streamline the administration of their business, including elimination of inefficient, costly and environmentally damaging paper documentation. On a global basis, the Group has significantly reduced the number of Annual and half yearly reports that it prints over the past years and we encourage investors to download copies of such reports from our web site.

Much of our computer equipment is leased, however, programmes exist to resell or recycle owned computers equipment, which is no longer needed, and to ensure that our suppliers have adopted sound principles for dealing with waste and redundant product. The group has a policy of recycling or refilling sensitive and potential harmful toner and ink cartridges.

Atos Origin is committed to implementing further environmental measures worldwide as part of a Group Environmental Policy.

Most of the services provided by Atos Origin are undertaken by professional staff working with computers from office premises in Western Europe. Atos Origin is not generally engaged in activities that are environmentally wasteful or seriously hazardous for its employees or the local communities in which operations occur. However, Atos Origin continues to work with many clients to develop systems that are themselves environmentally beneficial. These include developing:

- Labelling systems – to guarantee food quality and prevent health risks;
- Transport systems – to plan journeys and minimise distribution or travel times;
- Monitoring systems – to optimise power generation and distribution;
- Document storage systems – to minimise paper use.

At present ISO 14001:2004 certification programmes have commenced in some countries where Atos Origin operates. The primary site focus is for major service or datacenters where either power consumption or human activity is greatest. Although the findings from the most recent EMS Gap Analysis exercise indicate that there are some non-conformances between the current HSE-Management System and the requirements of the EMS standard (ISO 14001:2004), it is clear that Atos Origin sites (particularly major ones) can soon develop an EMS that would meet the standard. The main areas of the management system to address include:

- Environmental Policy;
- Formalized Aspects Register;
- Targets and Objectives;
- Core Operational Procedures;
- Employee environmental awareness;
- Internal Auditing;
- Management Review (of the EMS).

Atos Origin is seeking to attain ISO 14001:2004 certification from 2008 and a progressive roll-out to other countries and sites will commence from that point forward.

As a large international Group, it is necessary for many Atos Origin employees to visit clients and other internal operations on a regular basis. However:

- We seek to minimise the number and the cost of journeys made, as a basic principle of good financial management as well as for environmental reasons;
- We make provisions for certain staff to work from home and thereby avoid unnecessary travel, where it is appropriate to do so;
- We encourage the use of audio or video conferencing wherever possible.

8.5. Health and safety

Atos Origin ensures that Health and Safety best practices, commensurate with the prevailing industry sector of IT Services and of any specific hazards therein, are employed by the Atos Origin Group. The Atos Origin Group seeks to ensure that the premises in which it operates provide a healthy and safe environment in which staff can work.

- Every location has a health and safety officer and established policies and procedures that are appropriate to that environment, to assess and monitor risk situations;
- The safety of staircases lifts and other hazardous areas must comply with safety laws;
- The Atos Origin Group pays particular attention to work areas and provides advice to employees on the ergonomics surrounding their computer equipment, to minimise body and eye strain.

Atos Origin complies with local legislation concerning Health and Safety in specific local policies and procedures should this be different from any policies and procedures stated at a global level.

Atos Origin operates a Health and Safety Management System with objectives and procedures that cover the management of all formally issued Atos Origin Health, Safety and Environmental Management System (HSE-MS) and site level documentation.

8.6. Reporting

Corporate Sustainability reporting at the Atos Origin Group level is being developed and will be aligned to the standard for public reporting according to the GRI (Global Reporting Initiative) principles. Atos Origin Corporate Sustainability Programme (H@RMONY) Reporting will show:

- Atos Origin has implemented a Corporate Sustainability Management System (CSMS);
- The CSMS will be structured on the basis of the EFQM-CR model;
- Atos Origin management will ensure the CSMS provides for open and transparent reporting of achievements against the H@RMONY Mission;
- The CSMS will be independently audited on an annual basis.

Annually the H@RMONY programme report will be produced in accordance with the Global Reporting Initiative (GRI) Reporting principles for defining quality.

Atos Origin does not currently report its water or electricity consumption, nor its waste levels, since it has no manufacturing operations and the amount of utility resources consumed is very small in relation to its overall cost base.

8.7. Supplier relationships

Atos Origin believes in open, constructive and fair supplier relationships with open competition being favoured whenever possible. The important selection criteria in addition to cost and quality are high standards of business behaviour and social responsibility, service, flexibility and innovation. We expect our suppliers to contribute and bring to our operations year on year continuous improvement actions.

Atos Origin outlines certain principles expected from our supplier base and throughout the Atos Origin supply chain.

Atos Origin expects all suppliers to adopt and adhere to policies and procedures that uphold the same high standards of integrity and ethical business practice Atos Origin does. It is important to Atos Origin that all suppliers represent us in a manner that enhances our reputation and relationships with our stakeholders, including customers, around the world.

The Supplier relationships are based on three overriding following principles:

- Be Honest and Obey All Applicable Laws:

  Commit to act in accordance with all relevant laws, regulations and industry standards in the countries in which suppliers operate;
- Treat People with Dignity and Respect:

  Adopt and promote labour practices that foster the dignity of the individual as well as conform to all local laws and regulations;
- Protect and Enhance the Environment:

  Recognise global and local environmental responsibilities and take all commercially reasonable steps to safeguard the environment.

These elements are part of supplier selection criteria and Atos Origin reserves the right to perform an audit in case of doubts.

9 HUMAN RESOURCES

9.1. People at the heart of our business strategy

At Atos Origin people are at the heart of our business strategy. Our offer to create value for our customers is based on the knowledge, the skills, the experience and the enthusiasm of our employees. Our Human Resources strategies and policies aim to create a challenging, innovative environment stimulating personal and professional growth for our employees in partnership with our Group.

During the reporting period, we have made significant steps forward in attracting, developing and retaining our talented workforce. In an increasingly challenging market, we have been able to attract many new employees and continued to implement first class HR practices. We have made significant efforts in developing new career tracks and related training facilities. With this in place we are confident that our employees feel supported by opportunities to develop their competencies to reach their full potential and at the same time support the organisation to reach optimal effectiveness.

9.2. Attracting and integrating new talent

9.2.1. Recruitment initiatives

In the current market situation, recruitment of competent employees is the key to be able to respond effectively to our clients requirements. In the reporting period we have been able to communicate effectively with the labour market hence our success in our recruitment actions. In many countries we continued our successful recruitment activities. Overall we have recruited more than 11,000 new employees.

Our recruitment activities focused on attracting many skilled and experienced employees ready to support our customers. In addition, this year we also focused on attracting well educated talented young professionals. An example of a successful campaign of the latter kind was the 2007 campus recruitment campaign done in several countries.

For this campaign, Atos Origin designed a mobile stand mounted on a large truck with which the main university campuses throughout the countries were toured over a period of several weeks. In this unique way students were given the opportunity get to get a better understanding about Atos Origin and in an informal way to learn about the opportunities in our organisation.

With this very successful campaign we were able to attract a lot of attention and leave a strong impression. Through this campaign, the Group generated an immediate interest from students who applied for actual opportunities with the effects of the campaign expected to last as the students evolve in their studies.

9.2.2. Managing employee transfer and transition

A large number of outsourcing deals signed in 2007 included staff transfers. In each deal, Atos Origin HR had a pro-active role in the staff transfer, either at national or transnational level.

To effectively respond to the increasing challenges of people transfer in Outsourcing, Atos Origin has developed a team of HR Outsourcing specialists. In 2007, this HR Outsourcing team has continued to develop its HR Outsourcing approach with a strong focus on transition management: transfer and transformation. A global video and online communication material have been developed to express our HR Transfer approach including testimonials from insourced colleagues.

During this year, the Group launched two networking events, organised to bring the HR outsourcing specialists together to exchange knowledge and experience. The networking events included client presentations focusing on staff transfer related matters from a financial and cultural nature.

The dedicated HR Outsourcing approach proves to be essential in ensuring that our Human Resources specialists are equipped to successfully integrate the new employees in our organisation and to support them in making the transfer to Atos Origin. In 2008, Atos Origin will continue to place strong efforts on advancing the HR transition approach. We will continue to train and to develop Human Resources specialists and provide learning opportunities for young professionals.

9.3. Developing talented people

9.3.1. Talent Management initiative

The success of our organisation is dependant on the commitment and knowledge of our people. That is why at Atos Origin we believe supporting the development of our talented employees is a prerequisite for success. Offering exciting careers, supported by dynamic training opportunities help Atos Origin employees to satisfy their personal and professional growth ambitions, going hand in hand with improved business results.

Within the talent management initiative a number of other ones were launched over the past year. In particular initiatives aimed at improving training and development of our commercial and project management teams.

Our Annual HR review process has enabled us to identify and monitor talents at different levels in the organisation. Every year this bottom-up process focusing on employee review, succession planning and talent identification runs throughout the organisation starting at local business unit, service line, country and ending at Group level. In 2007, specific focus was given to the talent identification process. A talent pool of 500 employees was created at Group level. The aim is to monitor and support their development and to consider succession requirements for leadership positions.

To further stimulate employee development, we developed and started the implementation of a Individual Development Plan (IDP) tool throughout the organisation. The IDP allows each employee in cooperation with their manager to establish a 3 year development roadmap.

In deploying the talent initiative, during the reporting period other highlights were the implementation of the new global performance management tool, the identification of the talents through the annual review process, the implementation of "Relay", our international mobility programme and kick-off of the Atos Sales University.

The Atos University brings together the main training and development offerings within Atos Origin. Progressively we are developing and providing more content for different professional areas. In 2007, as a first step, we have made significant progress in the commercial area through the establishment of the Atos Sales University. Progress was also made in the area of Project Management and Technical Architecture. It is our firm intention to continue this development and to establish the Atos University as the virtual center for competency development.

9.3.2. Leadership Development

Leadership plays a key role in leading the organisation towards achieving our business goals. At Atos Origin we put emphasis on developing our current and future leaders. Sixty participants have completed the Global Organisational Development (GOLD) programme successfully in 2007. The selection of participants is based on excellent performance and clear indication of candidate's energy and potential for personal & professional growth. Through the programme selected, candidates are offered a unique personal learning experience aimed at supporting the development of leadership potential.

The GOLD programme, as part of our wider talent management strategy, can deliver the very best people to meet our future business challenges.

9.3.3. Training & Development

The Atos University continued to provide the platform for training and development of our employees. In developing the Sales University we have been able to make a significant contribution to the development and training of our commercial population during the course of the reporting period.

Other initiatives aimed at supporting employees in their professional and personal development focused on creating career paths for identified communities. The objective of these initiatives is to provide our employees clear career perspectives supported by dedicated training facilities.

Within the Dutch organisation an in-house career desk was opened to support employees in internal career mobility. The objective of the career desk is to support employees in defining their career ambitions and to help identifying career opportunities within the organisation. Through the desk we intent to support the development of our employees and help them realising their personal ambitions and developing their talents.

9.3.4. Performance Management

The importance of setting challenging objectives is that everybody understands the expected personal contribution to the overall goals. Supporting and coaching employees in achieving their objectives is an essential part of managing performance. Strong performance management is essential to our business success. Our aim is to ensure that our people are challenged and constantly developing themselves gaining the right skills and confidence to deliver solutions & services to our clients.

During 2007, we completed the implementation of our global, online performance management process. Every Atos Origin employee worldwide is now appraised according to the new performance management cycle. This cycle consists of four main elements: objective setting, mid-year review, annual appraisal and individual coaching & development plan and is underpinned by several tools defining & measuring performance and competencies & capabilities.

9.3.5. Annual HR Review

In the reporting period, we conducted the Atos Origin annual HR Review. The review of people and succession planning ensures our strategic and operational business goals are translated into our people processes. As such the review provides a critical strategic link between the current and future needs of the business and our HR activities.

In 2007, a comprehensive people review and succession planning for key leadership positions were completed.

For the first time, the review also included the identification of the top talents in the organisation. As a follow-up succession planning considerations were made and individual development plans for this population are being completed.

9.4. Retaining and rewarding our people

Rewarding good performance is a key principle in developing our reward policies. We ensure that the Group has market-competitive and flexible reward systems in place, enabling us to attract, motivate and engage the best employees in the market and to drive individual, team and company performance.

We regularly benchmark our reward practices with other companies in the ICT and High Tech sector and monitor trends on the labor market. Based on market developments and benchmark analyses, we ensure that our compensation and benefits are up to date and fully compliant with market practises.

The reward package of many employees is based on a mix of fixed and variable pay elements. The bonus objectives in the 2007 variable pay schemes aimed at achieving our global and local business objectives, which are derived from the Group's budget and business plans, and support the 303 transformation programme. The local bonus schemes implemented in various countries all over the world are fully aligned with the Global Bonus Plan (incl. the leadership of the Group) to create a strong focus on achieving common goals.

Following the success of the 2006 Sprint programme, Employee and Management Shareholding Programmes have been further expanded in 2007 to provide the opportunity for our people to take a stake in the Group and to further engage them in our business.

9.4.1. Employee and Management Shareholding

The Group strongly values employee and management shareholding because this strengthens the feeling of belonging to one Group, and it contributes to an entrepreneurial spirit and it supports the alignment of internal and external stakeholders interests.

The long-term objective is to reach a position where employees and managers own at least 10% of the equity of the Group.

In 2007, the Group implemented two new share based plans for the top management of the Group: the Long Term Incentive Plan and the Management Incentive Plan. These schemes replace the former dilutive annual stock option grants to senior management.

These performance based schemes were approved in the Annual General Shareholders' Meeting of May 2006 and in the Supervisory Board meeting of March 2007.

The 2007 Long Term Incentive Plan is a free share scheme which represents in between 20% to 50% of the annual variable salary at nominal value. The vesting conditions of the scheme are time-related (participants need to be in Atos Origin employment on the vesting date of the scheme) and performance related (Group performance as well as individual performance). The financial Group performance is based on operational cash flow elements cumulated over two years 2007 and 2008.

The Long Term Incentive scheme has been implemented in May 2007: 168,658 performance shares at a market value of EUR 43.98 have been granted to 392 managers. The LTI is a non-dilutive scheme as Atos Origin has bought 214,500 shares on the market during May 2007 to match the engagement.

The Management Investment Plan is a specific retention and investment plan reserved for the top 400 managers of the Group. In June, these managers have been offered the opportunity to invest in Atos Origin stock at market price and have been granted in counterpart one free share for one bought share. In total, 168 managers have invested in Atos Origin shares. They were granted 218,185 free shares valued at a market value of EUR 45.64, conditional to remaining in Atos Origin employment during the vesting period and holding the personal investment in Atos Origin shares during a vesting period of two years followed by a two years lock-up period for the vested free shares ending on 18 June 2011.

The MIP is a non-dilutive scheme as Atos Origin has bought 225,500 shares on the market during June 2007 to match the engagement.

In 2006, the Group launched the Sprint programme, an international employee stock purchase plan. This offering has been renewed and extended in 2007. In October 2007, 48,200 employees based in 12 largest countries, representing 95% of the workforce, have been offered the possibility to subscribe to Atos Origin shares at a discounted price. Through a reserved capital increase, employees participated to the plan. About 1% of the share capital has been subscribed in 2007 and 1.9% in 2006.

Based on the success of the 2006 and 2007 operations, Atos Origin is envisaging to pursue the share purchase plans for approximately 1% *per annum* in future years.

Overall, as the result of the implementation of these shareholding plans for employees and managers, the employee ownership (mutual funds and corporate savings plans) moved from about 0.5% of the Group's share capital in 2005 to 2.2% in 2006 and 3.2% in 2007.

9.4.2. International mobility

As an international Group, Atos Origin is increasingly attracting highly skilled professionals with an international profile to enable us to respond to the increasing demand for international experience within our client base.

Moreover, to meet the business requirements of its international client base, many Atos Origin employees are asked to work abroad on temporary project assignments.

Atos Origin is transforming into a truly global organisation and we are ensuring that our future leaders obtain international experience vital to this transformation. Our Relay programme is a new international development programme specifically designed with this objective in mind; namely to challenge our future leaders, both personally and professionally, through international exposure. 50 staff have already been identified to participate to this programme. We believe this experience enables our employees to broaden their understanding of international issues and cultures and to develop new competencies, which translates into improved service for our customers.

A range of metrics have been established to ensure this programme meets our talent development objectives. Atos Origin also has a specialist team in place to guide the evolution of policy and processes in order to meet the challenges presented by increased international mobility. This team also provides a number of specialist services to our business.

9.4.3. Pensions

Atos Origin provides pension benefits in several countries where it operates. These benefits are usually provided by associated pension funds, insurance companies or directly by the Group (book reserves). There are two types of pension benefits that Atos Origin offers to its employees: based on defined contributions and based on defined benefits. Atos Origin has a preference for defined contributions systems which are the more prevalent in its industry sector and provides its employees with the most flexibility. Defined benefits that Atos Origin has granted to its employees are recorded in accordance with the international accounting standard IAS 19 on a prudent and conservative basis.

Atos Origin improved the management of risks derived from operating associated pension funds by installing a Global Pension Steering Committee as well as local Pension Steering Committees in the countries where it has such associated pension funds. In 2007, a Group Pension Investment Committee has been established to further develop this governance model. All aspects of the management of pension benefits are now subject to specific internal control rules as part of the Group book of internal controls.

Atos Origin has a specialist team in place to manage its existing pension arrangements and supervise local pension managers, including support for business managers in outsourcing deals. The team also monitors developments worldwide and amends pension arrangements to new legislation and regulations.

In 2007, Atos Origin has continued its efforts towards harmonising pension benefits and reducing related financial risks. In the United Kingdom, an important principle agreement has been reached with the Trustees of two major pension schemes to stop the accrual of defined benefit pensions, replacing them by a more competitive defined contribution scheme, and to implement a less risky investment strategy. In The Netherlands, as a result, of and in compliance with new legislation, a new Pension Execution Agreement between Group and local pension fund has been finalised, clarifying mutual rights and obligations of the employer and the pension fund. This agreement includes amongst other maximum contribution levels. The move towards a new liability driven investment strategy has further been completed in the first half year of 2007. In Germany, the Group is discussing with the work councils the harmonisation of its many defined benefit arrangements into a single defined contribution oriented system which was put in place for the majority of its employees per December 2006.

9.5. Bringing transparency to people planning process

Atos Origin's global SAP HR system was further developed and enhanced during 2007 to accommodate more streamlined HR processes and requirements. The online Global Performance Management process was successfully rolled-out to all internal employees providing full and transparent management of yearly objectives setting, reviews and appraisals. This, coupled with extensive management information reports and other available HR tools, provides Atos Origin with a clear view of all employees' development. Furthermore, a similar online process has been developed for managing individual development plans and international transfers are now handled in the system in a more logical and transparent manner. The drive in 2008 is to develop more online HR processes to support Atos Origin's transformation programme and continue to provide the necessary HR tools and systems to allow managers to make informed employee related strategic decisions.

9.6. Communicating with employees

On 28 June 2007, a delegation of employee representatives from our European facilities gathered in the Special Negotiating Body (SNB) and Atos Origin Management reached an agreement for the establishment of the Atos Origin European Works Council. Afterwards, elections were held to nominate the employee delegates. The first meeting of the European Works Council took place in Brussels on 16 and 17 January 2008. Atos Origin values good labour relations and is used to engage employee representatives where situations require such involvement.

9.7. An Olympic experience

At Atos Origin we are all looking forward to 2008 and the start of the Olympic Games in Beijing. 2007 has been a year of preparation which is continuing until today. As tension is building up for the biggest sports event in the world, everything is being done to ensure all supporting IT facilities will be in place.

Within the organisation, the Olympic flame is also lightening up and over 150 employees nominated themselves as Olympic volunteers. On top of all our professionals on site, these volunteers will ensure Atos Origin is prepared to deliver a top performance during the 2008 Games.

9.8. Human resources review

9.8.1. Change in the Group workforce

Total staff employed increased from 49,841 to 51,704 (+4%) between 1 January 2007 and 31 December 2007.

Number of staff	FY 2007	FY 2006
Headcount opening	**49,841**	**47,684**
Change in perimeter	(199)	+557
Hiring (*)	+11,054	+10,156
Leavers (*)	(7,090)	(6,987)
Dismissals	(1,109)	(922)
Restructuring	(793)	(647)
Headcount at closing	**51,704**	**49,841**

(*) Permanent staff only, excluding temporary staff movements.

Change of scope related to business disposals in the period, including disposals of Actis in Germany (-158 people), Chile (-80 people) and Marben Product in France (-34 people) and acquisition of Unimédecine (+73 people) for Atos Worldline.

The level of recruitment has been sustained, particularly in the Consulting and Systems Integrations businesses (both at +24% of the opening staff basis), with gross hiring of 11,054 in the period, and in total representing 22% of the workforce, slightly above the level reached by the Group last year at 21%.

Hiring	12 months FY 2007	% of workforce
Consulting	646	24%
Systems Integration	5,982	24%
Managed Operations	4,415	20%
Corporate	12	7%
Group	**11,054**	**22%**

Leavers comprise voluntary permanent staff leavers, permanent staff who have been dismissed and those who have retired or were deceased. The number of leavers in 2007 was 8,199 (including 1,109 dismissals), higher than the level reached last year at 7,909 staff (including 922 dismissals).

Staff attrition rose from 12.7% in December 2006 to 14.6% in December 2007. After constant increase of attrition rate in the second semester 2006, the trend started to be stabilised since the end of the first quarter 2007 and progressively started to decrease each quarter in all the service lines.

Attrition rate	12 months FY07	12 months FY06
Consulting	24.7%	23.8%
Systems Integration	15.8%	13.4%
Managed Operations	12.5%	10.5%
Group	**14.6%**	**12.7%**

A total of 793 employees left the business in 2007 under specific and localised re-organisation programmes as part of the business transformation.

9.8.2. Staff movements by service line and country

The workforce at the end of December 2007, by service line and country, was as follows:

Employees	31 December 2007	31 December 2006	Change	Average FY 2007	Average FY 2006	Change
Consulting	2,632	2,698	-2%	2,628	2,734	-4%
Systems Integration	25,573	24,836	+3%	24,776	24,325	+2%
Managed Operations	23,244	22,126	+5%	22,889	21,834	+5%
Corporate	256	181	+41%	226	190	+19%
Total	**51,704**	**49,841**	**+4%**	**50,520**	**49,083**	**+3%**
France	15,528	14,887	+4%	15,117	14,469	+4%
United Kingdom	6,179	6,322	-2%	6,214	6,495	-4%
Netherlands	8,398	8,248	+2%	8,384	8,274	+1%
Germany + Central Europe	4,076	3,882	+5%	3,815	3,853	-1%
Other EMEA	10,663	10,437	+2%	10,605	10,403	+2%
Americas	2,629	2,774	-5%	2,641	2,568	+3%
Asia - Pacific	3,974	3,110	+28%	3,517	2,831	+24%
Corporate (*)	256	181	+41%	226	190	+19%
Total	**51,704**	**49,841**	**+4%**	**50,520**	**49,083**	**+3%**

(*) Increase of Corporate mainly due to transfer of corporate staff made in 2007 and reported in France in 2006.

The average full-time equivalent internal and external productive staff grew from 44,486 in 2006 to 47,262 this year representing an increase of +6.2% to be compared with a revenue increase of +8.5% resulting in an increase of +2.1% of revenue by direct full-time equivalent.

The highest area of staff growth both on staff movements and average staff is Asia - Pacific and reflects the strategy of the Group to increase offshore staff in countries such as India and Malaysia. Net staff increase in 2007 of +1,863 was 80% offshore and 20% onshore.

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1 » OPERATIONAL REVIEW

1.1. Executive summary

Overall, the fiscal year 2007 was very satisfactory both in revenues and in operating margin. External revenues stand at EUR 5,855 million, presenting a growth of +8.5% achieved despite the termination of the NHS Diagnostics contract impacting for EUR 50 million, and adverse effects of EUR 21 million derived from the British pound decrease.

Consequently, the Group achieved +4.3% organic growth in external revenue, above annual market guidance of + 4%. Operating margin stands at EUR 272 million, 4.6% of revenues. Excluding 3O3 operating costs for the transformation plan, the operating margin reached EUR 316 million (5.4% of revenues), above expectations and representing +28% increase against last year.

Excluding 3O3 costs, the profitability of the Group demonstrated an acceleration during the second half of the year reaching 6.3% in comparison with 4.5% in H1 2007.

1.2. Operating performance

The underlying operating performance on the ongoing business is presented within operating margin, while unusual, abnormal or infrequent income or expenses (other operating income/expenses) are separately itemised and presented below the operating margin, in line with the CNC recommendation of 27 October 2004, before arriving at operating income.

(in EUR million)	**FY 2007**	**% margin**	FY 2006	% margin	**% change**	**% organic change (*)**
Revenue	5,855		5,397		+8.5%	+4.3%
Operating margin	272	4.6%	247	4.6%	+10.0%	
Other operating income/(expenses)	(135)		(407)			
Operating income	137	2.3%	(160)	-3.0%		

(*) Organic growth at constant scope and exchange rates.

The details from operating margin to operating income are explained in the financial review, in the following chapter.

1.3. Revenue

1.3.1. Revenue profile evolution

Atos Origin continues to offer a full range of “design, build and operate” services delivered through a global framework of three major service lines. Over the period, 68% of the revenue base is recurring and growing organically above +5% in 2007 compared with last year, deriving from multi-year outsourcing contracts (54% of total revenues), and application maintenance contracts classified under Systems Integration service line (14% of total revenues).

Europe remains the Group’s main operational base, generating 92% of total revenues growing by +8% compared with last year. The Americas, which represent 4% of total revenues (+13% of growth), provide support for the extended operations of the Group’s European clients. Atos Origin also has a strong commitment to specific parts of the Asia Pacific region (2% of total revenues and +9% of growth), particularly in China, where it has a rapidly growing client base, and in India, where it is expanding its offshore support resources.

The Group’s services and solutions add value across many industry sectors including Public Sector and Utilities, Telecoms & Media, Financial Services, Process Industries & Discrete Manufacturing and Consumer Products & Retail. These five main industry sectors represent 94% of total revenues.

1.3.2. Organic growth

Revenues for year ended 31 December 2007 amounted to EUR 5,855 million, up +8.5% against EUR 5,397 million for the equivalent period last year.

In the past 12 months, the Group has disposed of a number of businesses, which removed EUR 25 million from the comparative revenue base – mainly Actis in Germany, Marben Products in France, Twinsoft in Spain and Chile.

The companies Banksys and BCC acquired in December 2006 contributed for EUR 281 million in 2007.

Other restated elements are composed of the negative impact of exchange rate variations for EUR 21 million and change of accounting method for EUR 7 million.

After adjusting for disposals and at constant exchange rates, the 2006 revenue base was EUR 5,343 million.

(in EUR million)	FY 2007	FY 2006	% change
Published revenues	**5,855**	**5,397**	**+8.5%**
Disposals		(25)	
Acquisitions	281		
Exchange rate impact and others		(28)	
Organic revenues (*)	**5,574**	**5,343**	**+4.3%**

(*) Organic growth at constant scope and exchange rates.

Revenues in 2007 represented an organic growth of +4.3%, of which +2.7% in the first half, and a significant acceleration in the second half to +5.9%.

(In EUR million)	FY 2007	FY 2006	Change	% change	% organic change (*)
Quarter 1	1,435	1,342	+93	+7.0%	+2.5%
Quarter 2	1,455	1,354	+101	+7.5%	+2.9%
Quarter 3	1,418	1,276	+142	+11.1%	+6.6%
Quarter 4	1,548	1,425	+123	+8.6%	+5.3%
Half year 1	**2,890**	**2,696**	+194	+7.2%	+2.7%
Half year 2	**2,966**	**2,701**	+265	+9.8%	+5.9%
Total	**5,855**	**5,397**	**+459**	**+8.5%**	**+4.3%**

(*) Organic growth at constant scope and exchange rates.

1.3.3. Revenue by geographical area

The revenue performance by geographical area was as follows:

(in EUR million)	FY 2007	FY 2006 (*)	% growth	% organic growth (**)	2007 revenue breakdown
France	1,685	1,652	+2.0%	+2.8%	29%
United Kingdom	1,042	1,035	+0.7%	+1.0%	18%
The Netherlands	1,083	1,051	+3.1%	+3.1%	19%
Germany + Central Europe	607	592	+2.4%	+5.1%	10%
Rest of EMEA	1,067	734	+45.4%	+7.9%	18%
Americas	228	202	+13.2%	+21.1%	4%
Asia - Pacific	143	131	+9.2%	+14.9%	2%
Total	**5,855**	**5,397**	**+8.5%**	**+4.3%**	**100%**

(*) EUR 14 million have been restated between France and the United Kingdom linked to AEMS.
(**) Organic growth at constant scope and exchange rates.

The revenue organic growth performance by geography shows that all geographic areas generated an organic growth, while the operations have been down-sized in the United Kingdom and in Italy by a reorganisation/restructuring programme which has been implemented in the second half of 2006.

In **France,** the revenue increased organically by +2.8% with the following elements:

- Negative growth from France Consulting at -17%;
- Systems Integration grew by +2%;
- Managed Services, including AEMS, grew by +5%;
- Atos Worldline in France grew +4%.

The decrease by -17% in France Consulting came mainly from the ramp-down of two contracts where the activity was high in 2006, one with an insurance company and the other one named Copernic with the French Ministry of Finance. A new Management was hired in May 2007 to boost back revenue and recruitment in the second half reflected with a limited revenue decline of -6.1% in the fourth quarter.

Systems Integration France had an annual revenue growth of +2% with a strong recovery in second half at +4.6% compared to a decrease in H1 2007.

This performance has been achieved through an intense commercial activity, and an aggressive recruitment plan launched at the end of March 2007 which materialized in doubling the number of hirings in H2 2007 compared to H1 2007. Meanwhile, the French operations strongly progressed in the re-balancing of the staff in France between onshore and closeshore locations, exceeding the 50% target of closeshore staff in June 2007.

Managed Services France, excluding Atos Euronext Market Solutions, represents a growth of +2%. This performance encompasses ramp-ups of new contracts which started at the beginning of the year compensating the decline of pass-through revenue in line with the strategy of the Group.

Atos Euronext Market Solutions in France saw its revenue increasing by +8% compared with last year benefiting from one-off projects billed to Euronext for IT platform transformation.

On 12 December 2007, Atos Origin and NYSE Euronext announced their agreement for NYSE Euronext to acquire the 50% stake in Atos Euronext Market Solutions (AEMS) owned by Atos Origin. Upon successful completion of this transaction and subject to the prior information and consultation of all relevant employee representative bodies, NYSE Euronext would re-acquire ownership of the NSC cash trading and Liffe Connect® derivatives trading platform technology and all of the management and development services surrounding these platforms as well as AEMS's third-party exchange technology business. Atos Origin would acquire the third-party Clearing & Settlement and Capital Markets businesses from AEMS.

For the fiscal year ended 31 December 2007, AEMS has generated revenues of EUR 352 million, of which the Exchange business for EUR 239 million and the Capital Markets, and Clearing & Settlement for EUR 113 million.

The Netherlands continue to generate a good organic growth at +3.1% despite tough market conditions in Consulting. This activity was stable despite a high attrition rate which reflects tensions on labour market.

In Systems Integration, the organic growth was +4.7% and reflects a very active business despite a high attrition. The access to flexible subcontracting and the increase of offshore capacity has helped in generating the organic growth.

In Managed Services, The Netherlands generated a +4.3% organic growth. On top of the ramp-up of new contracts with ING, Delta and Telegraaf signed at the end 2006, the organic growth was reached by up-selling business for existing customers such as Nuon and the ramp-up of contracts signed at the beginning of 2006 such as Heijmans. This performance was realised despite the regular decline of clients such as Philips and KPN. Excluding these two clients, the outsourcing business in the country grew by +25% in the period.

On 18 July 2007, KPN and Atos Origin signed an agreement redefining their relationship in The Netherlands in order to reflect the changes in KPN's strategy. Atos Origin will continue to deliver most of the current services to KPN and the contracts will be extended with a minimum duration of 3 years. Atos Origin will transfer three of its six datacenters' sites in The Netherlands back to KPN. The transfer is in line with Atos Origin's datacenters' strategy, aiming at consolidating its existing datacenters' into high availability main sites in The Netherlands and other key countries, such as Germany. Atos Origin will continue to perform application maintenance and enhancement services for KPN on the current application portfolio and datacenters services. KPN has selected Atos Origin as its sole System Integrator for Enterprise Application Integration and for Delivery Orchestration.

In **the United Kingdom,** the revenue increased organically by +1.0% with a turnaround from organic decrease of -4.2% in H1 to +6.9% in H2 2007. Consulting underperformed during the year with an organic decrease of -20%. A new Management has been appointed in the second semester to restore a profitable growth in this division.

Further to the restructuring initiated at the end of 2006 resulting in the down-sizing of the operations, Sytems Integrations revenue decreased by less than -2%.

Strong performance was achieved in Managed Operations with an organic growth of +7%. The first semester showed an organic decrease of -3% due to the combination of two effects: first, the negative effect from the Metropolitan Police contract which ended in May 2006, and second, the progressive ramp-ups of contracts signed at the end of 2006 such as NFUM and Department of Constitutional Affairs for which the transition phase has been completed by the end of June 2007.

In the second semester, revenue organic growth was +18% benefiting from the full service revenue of these large contracts and the up selling on existing customers.

On 25 July 2007, the Department of Health has elected to terminate the NHS Diagnostics contracts in the BPO medical business consequently affecting the revenue expectation of the BPO division by EUR 50 million. Nevertheless, compared to 2006, this division managed to keep its revenue stable.

In **Germany & Central Europe,** the organic growth was +5.1%. After two years of integrating IT platforms for the two main customers KarstadtQuelle and E-Plus, Germany & Central Europe is delivering strong benefits to these customers based on the long term contractual commitments. The consolidation of datacenters in Germany and the build-up of a strong application management platform allowed making up-selling revenue on the existing customer base. This was particularly in Systems Integration which grew by +10%. This also allowed leveraging the infrastructure management in Germany to lead the European mainframe centers in Germany.

In the **rest of EMEA,** the total growth was +45% and came mainly from Banksys integrated as of January 2007 and which contributed for EUR 281 million in the twelve months of 2007.

The organic growth was +7.9% as a mix between areas growing with double digits and Italy with a planned revenue decrease associated with the restructuring plan which led to -5%. The growing areas are as follows:

- Spain with strong organic growth at +11% from a good development in financial services with banking institutions such as BBVA, Caja Madrid, Bankinter and La Caïxa and in public sector with Renfe National Railways;
- Mediterranean countries and Africa which grew organically at +78% with several new contracts mainly in the telecom sector with Digitel, Swisscom, Avea or Maroc Telecom, MMT in South Africa. Some contracts with telecom operators have been transferred from Italy to Turkey;
- Belgium with +10% organic growth.

In Italy, revenue decreased by -5% mainly as a consequence of severe actions to restructure the operations, from very small size contracts not renewed on the initiative of the Group, and a reorganisation of the business units. Nevertheless, the revenue decline which was -6% in the first half, was limited to -4% in the second half of 2007.

On 31 January 2008, Atos Origin finalized the disposal of its Italian operations to Engineering following the agreement signed on 10 December 2007. The combination of the Italian operations of Engineering and Atos Origin creates an IT services leader in Italy. Atos Origin is glad to enter with this new leader into an Alliance Agreement allowing both companies to serve their Italian and International customers via the global capacity created by the Alliance.

Americas organic growth was +21.1% and was particularly supported in South America by the effect of the Pan-American Games which ended in the course of the fourth quarter 2007.

Asia - Pacific is back to a strong growth in 2007 with +14.7% thanks to Systems Integration with +16.3% and Managed Services with +11.8%. The offshore activity made in India and in Malaysia are not included, since its associated revenues are recognised as internal revenue.

1.3.4. Revenue by service line

The revenue performance by **service line** was as follows:

(in EUR million)	FY 2007	FY 2006	% growth	% organic growth (*)	2007 revenue breakdown
Consulting	360	406	-11.2%	-8.7%	6%
Systems Integration	2,338	2,243	+4.3%	+5.3%	40%
Managed Operations	3,157	2,749	+14.9%	+5.4%	54%
Total	**5,855**	**5,397**	**+8.5%**	**+4.3%**	**100%**

(*) Organic growth at constant scope and exchange rates.

In 2007, organic revenue decrease in **Consulting** was -8.7%, with revenues of EUR 360 million compared with EUR 395 million in 2006 on a constant scope and exchange rates. Excluding the United Kingdom, where the strong decrease of -20% was expected due to the operational basis in the first half of 2006, the organic decrease was limited to -3%.

The total performance of Consulting in the period was affected by the ramp-down of contracts such as Ministry of Finance and an insurance company in France, Ministry of Defence in the United Kingdom which contributed significantly to the revenue in 2006. Excluding these contracts, the revenue growth of Consulting was globally stable in 2007 compared to 2006.

The attrition rate in Consulting reached 24.7% on an annual basis. After three semesters of regular increase (H1 2006 at 22.2%, H2 2006 at 25.3% and H1 2007 at 26.7%), the attrition rate significantly decreased during the second semester of 2007 at 22.7% returning to a similar level as H1 2006. This results from the various retention programs engaged throughout the Group.

The utilisation rate was the same in H2 2007 as in H1 2007 at 62%, after having reached 66% in H2 2006 following 65% in H1 2006.

In order to come back to the good performance of the last years, strong action plans have been launched:

The unfolding of the Consulting Action Plan in key geographies is the following:

- In France:
  - new Management hired in May 2007,
  - new Partners were recruited to build new practices,
  - better integration in the go-to-market with Systems Integration and Managed Operations resulting in an improved book to bill at 118% in Q4 2007;
- In the United Kingdom:
  - new Management in place since the second semester 2007, with the mandate to implement best practices with proven success in The Netherlands,
  - active short term plan to increase utilisation rate,
  - better integration in the go-to-market with Systems Integration and Managed Operations resulting in an improved book to bill at 132% in Q4 2007;
- In The Netherlands:
  - retention plan allowed attrition rate to decrease in Q4 2007,
  - The Netherlands leading the new geographical practices (Belgium, Germany and China);
- In Germany:
  - large opportunities exist after the win of Dresdner Bank;
- In Asia - Pacific:
  - launch of practices following the win of significant orders with ChemChina.

Revenue organic growth of **Systems Integration** was +5.3% in 2007 with revenues of EUR 2,338 million compared with EUR 2,221 million in 2006 on a constant scope basis. The +5.3% organic growth were achieved thanks to an acceleration through the year (+3.9% in H1 and +6.7% in H2 2007).

Full-year 2007 revenue amounted to EUR 2,338 million increasing by +5.3% organically. All geographies achieved a better performance compared to last year except for the United Kingdom as expected with revenue decreasing by -1.8% due to the restructuring actions made. Double-digit organic growth was achieved in Germany & Central Europe, Asia Pacific and Americas. In The Netherlands, the organic growth was +4.7% and in France, after a decrease during the first half of 2007, the total year organic growth reached +2%.

Despite tensions on the labour market, the attrition rate in Systems Integration has been contained at 15.8% throughout the year,

The utilisation rate has been maintained at a satisfactory level of 80% during the year close to the level of 81% reached last year.

The organic revenue growth in **Managed Operations** was +5.4%, with revenues of EUR 3,157 million (including EUR 281 million from Banksys and BCC acquisition) compared with EUR 2,728 million in 2006 on a constant scope basis.

The organic growth in the period of +5.4% resulted from a positive +5.9% in Managed Services, as well as a +6.0% increase in online services which were partly offset by a slight decrease of -0.7% in BPO medical business.

The growth of Managed Services in 2007 has been affected by several large contracts ramp-down such as Metropolitan Police, ICI and Thames Water in the United Kingdom, KPN and Philips in The Netherlands and Euronext in France.

On the opposite, the new large contracts signed in 2006 such as DCA, NFUM, ING, Pan-American Games, Delta, and Telegraaf represented more than +5% growth while some of them were in the transition phase in the first half and therefore delivered full service revenue in H2 2007. Such transition phase contracts are NHS Scotland completed in April 2007, NFUM completed in early July 2007, Gateway Portal with the portal completed in June 2007 and DCA completed for the first phase in June 2007 and full transition completion in September 2007.

Consequently, the organic growth in Managed Operations was +3.1% in H1 and +7.7% in H2 2007. The organic growth was led by Asia - Pacific and Americas with double-digit performance, and the United Kingdom achieved a +7% organic growth compared to -8.8% in 2006.

For Atos Worldline, revenue is higher than expected thanks to better volumes within Banksys, coming from a good trend of the Run and Build activity. Banksys contributed to Atos Worldline revenue by EUR 281 million in 2007. BPO medical did not benefit from the expected revenue from NHS Diagnostics contract which was terminated in July 2007.

1.3.5. Order input

The book to bill ratio in 2007 was 106%, which corresponds to an order entry at EUR 6.2 billion over the 12 months period. The book to bill ratio significantly accelerated from 88% in H1 to 124% in H2.

The order entries for 2007 were EUR 6.2 billion representing an increase of 4.3% compared to the level of 2006 (EUR 5.9 billion). The commercial activity was particularly intense in the fourth quarter 2007 with a book to bill ratio of 155% and an order entry of EUR 2.4 billion.

During this period, the Group won large contracts such as EDF and in the Telco sector in France, signed a serie of contracts in the United Kingdom such as Highways Agency, DWP, BNP Paribas and Liverpool Victoria, Achmea and Delta in The Netherlands, Thomas Cook and Alcatel in Germany, Iberia and Government contracts in Spain, Lee county Florida in the US. The Group signed a five-year global strategic agreement with ChemChina in China, HPCL in India.

At the end of 2007, the full backlog was EUR 8.5 billion up by +7% compared to end of 2006 and representing 1.5 time 2007 revenue.

The full qualified pipeline reached EUR 2.1 billion at the end of December 2007, in slight improvement compared to 31 December 2006.

1.3.6. Revenue by industry sector

The revenue performance by **industry sector** was as follows:

(in EUR million)	**FY 2007**	FY 2006	**% growth**	**2007 revenue breakdown**
Public Sector and Utilities	1,515	1,438	+5.3%	26%
Financial Services	1,351	1,126	+20.0%	23%
Manufacturing	1,070	1,056	+1.3%	18%
Telecoms and Media	933	947	-1.5%	16%
CPG & Retail	640	512	+25.0%	11%
Transport	219	221	-0.9%	4%
Others	129	98	+32.1%	2%
Total	**5,855**	**5,397**	**+8.5%**	**100%**

The Group is organised in five main industry sectors, which represent 94% of total revenues.

The Group again strengthened its **Public Sector and Utilities** position (26% of total Group revenue, with a +5% increase) with French, Dutch and British government ministries and in the healthcare sector, as well as with utilities companies. The exercise 2007 benefited from the new contracts signed or renewed at the end of last year in the United Kingdom, as DCA or NHS Scotland, Delta in utilities in The Netherlands, Endesa in Spain, Ministry of Sport linked to Panamerican Games in South America.

The **Financial Services** sector (23% of total Group revenue, with a +18% increase) benefited from Banksys and BCC integration, and new contracts as NFUM in the United Kingdom and ING in The Netherlands, and BBVA, Caja Madrid, Bankinter, La Caïxa in Spain. Excluding the payment services activity in Worldline and stock exchange business in AEMS, and retail banking services, the Group has a very limited exposure to the investment banking activities.

Manufacturing (18% of total Group revenue, with a +1% increase), which includes the previous Discrete Manufacturing and Process Industries, benefited from new contracts in France, compensating an overall decrease in high-tech, which was directly linked to Philips account year-on-year.

Telecoms and Media represented 16% of total Group revenue, and decreased over the period (-2%), as a result of clients decline such as France Telecom-Orange and Vodafone and productivity savings share with clients like KPN. Good fertilisation and new businesses like Telecom Italia and several new contracts in Mediterranean Countries and Africa mitigated the trend.

Retail and CPG represented 11% of total Group revenue, and reached a strong increase over the period (+25%), due to Worldline linked to Banksys integration (mass market linked to acquiring business and terminals).

Transport sector (4% of total Group revenue, stable) benefited from new contracts mainly in the United Kingdom.

1.4. Operating margin and margin rate

1.4.1. Operating margin performance

The operating margin performance was as follows:

(in EUR million)	**FY 2007**	FY 2006	**% growth**
Revenue	5,855	5,397	+8.5%
Operating margin including 303 costs	**272**	**247**	**+10%**
Operating margin rate	**4.6%**	**4.6%**	**+0.1 pt**
303 Transformation Plan costs	(44)		
Operating margin excluding 303 costs	**316**	**247**	**+28%**
Operating margin rate	**5.4%**	**4.6%**	**+0.8 pt**

Operating Margin stands at EUR 272 million (4.6% of revenues) or EUR 316 million (5.4% of revenues) before 303 operating costs. This performance is slightly above expectations and +28% against last year.

303 plan net impact on operating margin reached EUR -44 million over the year, net of costs and savings mainly coming from France and Corporate.

Main efforts in France, The Netherlands and Germany were concentrated on delivery initiatives, especially Industrialisation, Managed Operations Global Factory and Offshoring. At Corporate level, the Support functions initiatives, amongst others Shared Service Centers (Finance, Human Resources and IT) as well as Sales and Talent initiatives, already crystallised EUR 24 million costs, mainly in subcontracting in order to run associated projects (business process reengineering).

As far as the seasonality is concerned, the start of the year is traditionally impacted by a contractual reduction in revenues on long term contracts where the Group has agreed in advance to share specific benefits with clients. In addition, a global salary increase took place at the beginning of the year representing +3% in 2007 and had a negative impact of 1.6 point on the margin rate.

(in EUR million)	**FY 2007 (*)**	**% margin**	**FY 2007 (**)**	**% margin**	FY 2006	% margin	**Growth**	**Points**
Quarter 1	50.5	3.5%	52.6	3.7%	63.9	4.8%	-11	-1.1 pt
Quarter 2	67.2	4.6%	76.3	5.2%	69.2	5.1%	+7	+0.1 pt
Quarter 3	66.1	4.7%	76.0	5.4%	48.1	3.8%	+28	+1.6 pt
Quarter 4	87.8	5.7%	111.1	7.2%	65.6	4.6%	+45	+2.6 pts
Half year 1	**117.7**	4.1%	**128.9**	4.5%	**133.0**	4.9%	-4	-0.5 pt
Half year 2	**153.9**	5.2%	**187.1**	6.3%	**113.7**	4.2%	+73	+2.1 pts
Total	**271.5**	**4.6%**	**315.9**	**5.4%**	**246.7**	**4.6%**	**+69**	**+0.8 pt**

(*) Including 3O3 Transformation Plan net impact in OM.
(**) Excluding 3O3 Transformation Plan net impact in OM.

After a regular quarterly decline of operating margin in year 2006 both in value and in margin rates, the Group has inversed this trend and achieved a quarterly steady build-up of its operating margin in 2007: 3.5% in Q1, to 4.6% in Q2, 4.7% in Q3 and 5.7% in Q4. This performance was achieved despite increasing operating costs of 3O3 plan quarter after quarter achieving full momentum in Q4 2007.

The operating margin is recorded including equity-based compensations (stock options, management investment plan and long-term incentive plan) for an amount of EUR 17.6 million, operational restructuring for an amount of EUR 9.9 million, and net operating expenses linked to the Transformation Plan for EUR 44.4 million.

1.4.2. Operating margin by service line

The operating margin performance by service line was as follows:

(in EUR million)	**FY 2007 (*)**	**% margin**	FY 2006 (*) (**)	% margin	**% growth**
Consulting	17.5	4.9%	36.5	9.0%	-52%
Systems Integration	95.6	4.1%	69.0	3.1%	+39%
Managed Operations	274.3	8.7%	234.4	8.5%	+17%
Corporate Central costs	(116.0)	-2.0%	(93.2)	-1.7%	+25%
Total	**271.5**	**4.6%**	**246.7**	**4.6%**	**+10%**

(*) Corporate costs exclude Global Service Lines costs allocated to service-lines.
(**) December 2006 has been restated to be in line with December 2007 where equity-based compensation is now fully classified under Corporate central costs.

The operating margin at the end of December was EUR 272 million representing 4.6% of revenues. The significant improvement in Systems Integration and the better performance of Managed Operations have over-compensated the decline in Consulting and allowed the Group to invest EUR 44 million costs of Transformation of which EUR 24 million recorded in Corporate for the benefits of all operations.

The **Consulting** activity had a decrease in operating margin from EUR 37 million to EUR 18 million: about half of the decrease came from lower revenue due to ramp-downs in the Ministry of Defence contract in the United Kingdom, Ministry of Finance and an insurance company in France. The other half came from a lower utilisation rate compared to 2006. The action plan engaged in the second half in 2007, as already explained, aims at tackling both issues of revenue growth and productivity.

In **Systems Integration,** the operating margin reached EUR 96 million in 2007 compared to EUR 69 million in 2006. This improvement mainly derived from a tightened risk management control on projects, volume increase, a lower loss in Italy while investing EUR 16 million in Industrialisation and Offshoring initiatives.

In **Managed Operations,** the operating margin reached EUR 274 million in 2007 compared to EUR 234 million in 2006. This improvement came mainly from the business mix change with higher contribution of the

Worldline activities (including Banksys), an improvement of profitability of the BPO medical activities in the United Kingdom compared with last year, while the Managed Services operations did not benefit in 2007 from the full effect of the new contracts signed in 2006 which were in transition phase during the first half of 2007. Significant operational transformation has been engaged in Managed Services in 2007 through the Global Factory initiative which impacted the profitability of this service line.

1.4.3. Operating margin by geographical area

The operating margin performance by geographical area was as follows:

(in EUR million)	**FY 2007 (*)**	**% margin**	FY 2006 (*) (**)	% margin	**% growth**
France	80.9	4.8%	105.5	6.4%	-23%
The Netherlands	127.2	11.7%	139.4	13.3%	-9%
United Kingdom	76.6	7.3%	24.1	2.3%	+218%
Germany + Central Europe	44.6	7.4%	46.4	7.8%	-4%
Rest of EMEA	64.1	6.0%	14.4	2.0%	+344%
Americas	6.9	3.0%	11.6	5.7%	-40%
Asia - Pacific	8.2	5.7%	12.0	9.2%	-32%
Global Service Lines costs	(21.0)	-0.4%	(13.4)	-0.2%	+56%
Corporate central costs	(116.0)	-2.0%	(93.2)	-1.7%	-24%
Total	**271.5**	**4.6%**	**246.7**	**4.6%**	**+10%**

(*) Corporate central costs and Global service lines costs not allocated to the countries.
(**) December 2006 has been restated to be in line with December 2007 where equity-based compensation is now fully classified under Corporate central costs.

In **France,** the operating margin for Consulting declined by EUR 3 million mainly resulting from the external revenue.

The organisation implemented in June 2007 with a new CEO appointed is focused on recruiting new partners, managers and senior consultants and on a strong sales action plan. Profitability has started to increase in Q4 2007 with recent new deals signed particularly in the public sector.

In France Systems Integration, the operating margin in 2007 was EUR 9 million less than 2006, of which EUR 8 million are costs of Transformation for the industrialisation and offshoring plan.

The level of profitability in France remained low and the Management has put as top-priority actions to improve the mark-up. Consequently, the French Management team initiated a comprehensive reorganisation plan aimed at modifying profoundly the French delivery model. This plan announced and launched in May 2007 is based on three main actions: a re-skilling and a re-adapting of the development staff in Paris, the transfer of the workforce from Paris to Regions and third an acceleration of offshoring to India and nearshoring to Morocco.

In France, the overall profitability of Managed Operations decreased by EUR 13 million compared to 2006. This evolution is entailed by several factors: projects costs due to the integration of Banksys, a large investment of Atos Worldline in research and innovation in order to prepare SEPA transition and the launch of Global Factory initiative.

Overall, France operating margin rate increased by more than 2 points between H1 at 3.7% to 5.8% in H2 2007.

In **The Netherlands,** the operating margin decreased by EUR 12 million, mainly impacted by a one-off profit effect related to pension schemes accounted in 2006. Excluding this effect, the operating margin remained at a similar high level of profitability compared to 2006.

In **the United Kingdom,** the operating margin was tripled from EUR 24 million in 2006 to EUR 77 million in 2007. The 2006 operating margin was heavily impacted by loss making contracts in Systems Integration and ramp downs in Managed Operations. The new management team executed since the beginning of the year a complete turnaround of the operations through a large restructuring plan completed in Consulting and Systems Integration, the settlement of the 2006 loss making contracts in Systems Integration, a drastic costs reduction plan and the proper execution of the new contracts signed at the end of 2006.

In **Germany & Central Europe,** the overall operating margin in 2007 was stable excluding 303 costs as Central Europe supports all the global factory mainframe consolidation for the Group.

In the **rest of EMEA,** the operating margin improved from EUR 14 million to EUR 64 million. The major part of this improvement came from the contribution of Banksys for the first time in 2007. The other countries improved their 2006 operating margin whereby particularly in Italy the loss was contained and reduced from EUR 11 million to EUR 8 million.

- Italy, following the restructuring plan and the down-size of the operations, in a still difficult market situation, had an operating loss of EUR 8 million. However, Italy has limited its operating loss to EUR 2 million in the second half of 2007;
- Spain maintained its operating margin to EUR 15 million mainly thanks to a better situation in Systems Integration with a better focus on projects delivery and a decrease of the overruns;
- Belgium with EUR 52 million operating margin has been boosted by the contribution of Banksys where the integration with Atos Worldline is well underway in order to increase the global profitability of Atos Worldline;
- The rest of EMEA benefited from the performance of Mediterranean countries and Africa with new Telecom contracts.

In the **Americas,** the operating margin decreased by EUR 5 million at EUR 7 million due to a change of business mix with lower revenue in North America and the lower contribution of the Pan-American games in 2007 compared to 2006.

In **Asia Pacific,** the operating margin decreased by EUR 4 million at EUR 8 million mainly due to the launch of the consulting practice in China as well as the change of the internal pricing model between supply and demand countries to boost offshore in the Group.

Global Service Lines costs increased by EUR 8 million at EUR 21 million strongly impacted by the support provided by Global Service lines to 3O3 actions such as Industrialisation and Global Factory.

Corporate central costs increased by EUR 23 million at EUR 116 million, but decreased by EUR 1 million excluding 3O3 costs. Central costs were strongly impacted by 3O3 plan build up for the key support functions initiative. Corporate central costs include equity-based compensation for EUR 17 million and represent the valuation of stock-options, long-term incentive and management incentive programs, employee stock purchasing program for the whole Group. Corporate costs include as well EUR 24 million of 3O3 transformation operating costs linked to Support functions and Sales initiatives. These costs represent the design investment phase of the support functions transformation which will benefit in the future to the countries operations and the service lines. Core corporate amount to EUR 74 million representing 1.3% of revenue and increased only by 6% compared last year with a revenue increase of +8.5%.

(in EUR million)	FY 2007 (*)	% margin	FY 2007 (**)	% margin	FY 2006	% margin	Growth	Points
Equity	(17.5)	-0.3%	(17.6)	-0.3%	(23.2)	-0.4%	+5.6	+0.1 pt
Support functions	(98.5)	-1.7%	(74.3)	-1.3%	(69.9)	-1.3%	(4.4)	+0.0 pt
Corporate costs	**(116.0)**	**-2.0%**	**(92.0)**	**-1.6%**	**(93.1)**	**-1.7%**	**+1.2**	**+0.2 pt**

(*) Including 3O3 Transformation Plan net impact in OM.
(**) Excluding 3O3 Transformation Plan net impact in OM.

2 FINANCIAL REVIEW

2.1. Income statement

The Group reported a net income (Group share) of EUR 48.2 million for 2007, which represents 0.8% of Group revenues in 2007. The adjusted net income of the period was EUR 140 million, representing 2.4% of Group revenues in 2007.

(in EUR million)	**FY 2007**	**% margin**	FY 2006	% margin
Operating margin	**271.5**	**4.6%**	**246.7**	**4.6%**
Other operating income/(expenses)	(134.7)		(406.7)	
Operating income	**136.8**	**2.3%**	**(160.0)**	**-3.0%**
Net financial income/(expenses)	(14.0)		(11.2)	
Tax charge	(59.9)		(76.6)	
Minority interests and associates	(14.7)		(16.6)	
Net income – Group share	**48.2**	**0.8%**	**(264.4)**	**-4.9%**
Adjusted net income – Group share (*)	**139.9**	**2.4%**	**110.3**	**2.0%**

(*) Defined hereafter.

2.1.1. Operating margin

Operating margin represents the underlying operational performance of the on-going business and increased by 10% in the period, as described earlier.

2.1.2. Operating income

Other operating income/expenses relate to income/expenses that are unusual, abnormal or infrequent and represent a net expense of EUR 135 million in 2007.

The main components of the other operating expenses are reorganisation expenses for EUR 98 million, net gain for disposal of assets for EUR 21 million, and a total of EUR 68 million of impairment losses, claims and litigations and other items.

The reorganisation expenses are made of three principle natures: first the large rightsizing of the local operations for a total of EUR 31 million mainly completed in the United Kingdom and in Italy; secondly the restructuring and rationalisation costs associated with the 3O3 transformation plan for a total of EUR 57 million and finally restructuring in the Corporate organisation for a total of EUR 9 million.

The net gain on disposal of assets is mainly composed of EUR 18 million gain on the sale of the Actis business in Germany.

Out of the EUR 68 milllion other operating items, the termination in July 2007 of the planned diagnostics services with the British Department of Health in the United Kingdom represented an impairment loss of EUR 37 million and an expense of EUR 10 million corresponding to committed spends for accommodations and software. Moreover, the disposal of Italy that was closed on 31 January 2008 created an impairment loss of EUR 10 million following its classification as assets held for sale.

As a result, the operating income for 2007 reached EUR 137 million and represented 2.3% of total revenues in 2007 compared with a loss of EUR 160 million (-3% of revenue) last year.

2.1.3. Net financial expense

Net financial expense amounted to EUR (14) million in 2007, compared with EUR (11) million in the previous year.

The average net debt was EUR 514 million during the period including the financing of the acquisition of Banksys and BCC paid in December 2006 for EUR 300 million compared to EUR 357 million in 2006. Consequently the net cost of financial debt was EUR 29 million based on an average cost of borrowing of 5.48% in 2007 before interests swaps (5.57% including them) stable compared to 2006.

The net cost of financial debt was covered nine times by operating margin, compared with a covenant requirement for not less than four times cover under the terms of the credit facility.

Non-operational financial income was EUR 15 million, including EUR 18 million of pension income linked to better terms on returns on pensions plan assets than discount rates applicable to pension liabilities and a EUR 3 million charge related to exchange rate variations and hedging.

2.1.4. Corporate tax

The Group effective tax rate is 48.8%. The restated Group effective tax rate after adjusting the impairment on the disposal of the Italian subsidiary, the changes in deferred tax assets recognition in the United Kingdom and the changes in the nominal corporate tax rates in the United Kingdom and Germany is 37.5%. Excluding the heavy tax impact of the Italian operations, the restated effective tax rate would be 29.8%. Long term normalised tax rate is estimated around 31%.

2.1.5. Minority interests

Minority interests include shareholdings held by joint venture partners and other associates of the Group in the operations of Atos Euronext Market Solutions (50%) for a total of EUR 12 million and Atos Worldline Processing Services in Germany (42%).

2.1.6. Adjusted net income

The Group share of net income before unusual, abnormal and infrequent items (net of tax) was EUR 140 million, increasing by 27% compared with last year.

(in EUR million)	**FY 2007**	FY 2006
Net income – Group share	**48.2**	**(264.4)**
Restructuring and rationalisation	(97.7)	(31.2)
Impairment losses and other	(68.1)	(390.7)
Capital gains	21.0	4.1
Release of opening balance sheet provisions no longer needed	10.1	13.7
Sum of unusual items	(134.7)	(404.1)
Tax effect	43.0	29.4
Sum of unusual items – net of tax	**(91.7)**	**(374.7)**
Adjusted net income – Group share	**139.9**	**110.3**

2.2. Earnings per share

(in EUR million)	**FY 2007**	**% margin**	FY 2006	% margin
Net income – Group share	**48.2**	**0.8%**	**(264.4)**	**-4.9%**
Adjusted net income – Group share	**139.9**	**2.4%**	**110.3**	**2.0%**
Weighted average number of shares	68,946,489		67,614,323	
Diluted weighted average number of shares (*)	69,141,410		67,923,367	
Basic EPS	**0.70**		**(3.91)**	
Diluted EPS	**0.70**		**(3.91)**	
Adjusted basic EPS	**2.03**		**1.63**	
Adjusted diluted EPS	**2.02**		**1.62**	

(*) With dilution impact for adjusted net income only in 2006.

Based on a weighted average of 68,946,489 shares in issue during 2007, earnings per share (Group share) were EUR 0.70 compared to a loss of EUR 3.91 in 2006.

Based on the adjusted net income of EUR 140 million, basic earnings per share (Group share) were EUR 2.03 increasing by 25% compared to 2006.

2.3. Operational capital employed and return on capital employed (ROCE)

Operational capital employed is defined as assets and working capital requirement necessary for the normal operation of the business. It excludes goodwill which is linked to merger and acquisition operations, but includes assets held for sale which have contributed to the current year revenue.

(in EUR million)	**31 December 2007**	31 December 2006
Intangible fixed assets excluding goodwill	74.9	118.3
Tangible fixed assets	437.0	382.4
Investments	70.9	45.0
Total fixed assets	582.8	545.7
Operational working capital requirement	(28.2)	130.2
Deferred tax	178.5	203.1
Working capital requirement	150.3	333.3
Assets held for sale	143.6	
Operational capital employed excluding goodwill	**876.7**	**879.0**
Revenue	**5,855**	**5,397**
Capital employed as a % of revenue	**15.0%**	**16.3%**
Capital employed as a % of revenue excl. BKS & BCC		15.1%

The capital employed rate decreased from 16.3% in 2006 to 15.0% in 2007 due to a stable amount of operational capital employed while the revenue growth was +8.5%.

(in EUR million)	**31 December 2007**	31 December 2006
Net income for the period	48.2	(264.4)
Add-back interest expense, net of tax	20.8	15.1
Add-back impairment charge, net of tax	36.6	360.3
Net income before interest expense and impairment charge	**105.6**	**111.0**
Operational capital employed excluding goodwill	**876.7**	**879.0**
Return on capital employed	**12.0%**	**12.6%**

Despite the increase of restructuring and rationalisation of more than EUR 40 million net of tax, the Group has been able to maintain globally the return of capital employed at same level than in 2006.

2.4. Cash flow and net debt

The Group began the year with an opening net debt of EUR 360 million, to reach EUR 338 million at the end of December. The net debt positions of both Atos Euronext Market Solutions and Italy are still consolidated in the Group position for a total amount of net cash of EUR 55 million as of end of December 2007.

The OMDA has improved compared with last year, partially used by the expected level of reorganisation and rationalisation for EUR 104 million, and by a strong level of net capital expenditures at EUR 300 million resulting from the growth of the business and the phasing out of the operating leases.

As a result of the net debt reduction, the gearing level has decreased from 19.6% last year to 18.1%. The leverage ratio (net debt/OMDA) is 0.67. These ratios are well below the bank covenants.

(in EUR million)	Notes	**FY 2007**	FY 2006
Operating margin		271.5	246.7
Depreciation of fixed assets	5	223.0	176.3
Net charge/(release) to provision for staff expenses	*4*	*(13.7)*	*11.3*
Difference between pension contribution and net pension expense	*4*	*(15.9)*	*(37.3)*
Net charge to provisions	*5*	*9.6*	*20.7*
Operating net charge to depreciation of current assets	*5*	*2.0*	*3.2*
Net charge to operating provisions		(18.0)	(2.0)
Net booked value of assets sold/written off	5	10.9	2.2
Net charge for equity-based compensation	4	17.5	23.2
OMDA		**505.0**	**446.2**
Restructuring and rationalisation costs in operating margin	4	23.0	13.4
Disposal of operational assets		(22.0)	
OMDA excluding restructuring		**506.0**	**459.6**
Major claims & litigations with cash impact		(32.7)	(22.8)
Other financial items with cash impact		(3.9)	(9.5)
Cash from operating activities before restructuring and rationalisation, taxes, working capital and financial interests		**469.4**	**427.4**
Taxes paid		(48.3)	(39.3)
Change in working capital requirement		29.6	(42.5)
Cash from operating activities before restructuring and rationalisation		**450.7**	**345.7**
Net capital expenditures		(300.4)	(210.1)
Cash from current operations before restructuring and rationalisation		**150.3**	**135.6**
Restructuring & rationalisation		(104.1)	(57.0)
Net cash from current operations		**46.1**	**78.6**
Other changes (*)	j+k+l+m+p+u+v+x	(38.5)	12.3
Net cash before financial investments		**7.5**	**90.9**
Net financial investments	f+g+h+i+s+t	14.8	(270.7)
Net cash flow		**22.3**	**(179.8)**
Opening net debt		**(360.3)**	**(180.5)**
Closing net debt		**(338.0)**	**(360.3)**

(*) Other changes include common stock issues, purchase of treasury stocks, dividends paid to minority shareholders of subsidiaries, translation differences, profit-sharing amounts payable to French employees transferred to debt and interests expenses paid.

2.4.1. Change in working capital

Through a strong working capital management both on the assets and liabilities side, the Group has managed to reduce its working capital by EUR 30 million over the year. This performance has been achieved mainly through the reduction of DSO from 68 days in December 2006 to 67 days in December 2007.

2.4.2. Net Capital expenditures

Net capital expenditures amounted to EUR 300 million in 2007, representing 5.1% of annual Group revenues, which is higher than previous periods, due to strong investments related to new contracts signed at the end of last year in the Managed Operations activity, as well as investments linked to shared infrastructure mainly for datacenters consolidation (303 transformation plan) and new space capacity extension.

This strong investment trend is also the result of the continuous efforts to replace capital expenditure financing from operating lease to own cash flow. This policy has been implemented in 2005, to get a better control of the life cycle of our industrial assets. Consequently, the off-balance sheet commitments for operating leases on IT equipment have been almost cut by half, reducing from EUR 97.2 million at the end of 2006 to EUR 53.0 million at the end of December 2007. It is the intent of the Group in 2008 to optimise the financing of long term industrial investment on space capacity with specialised investors so as to reduce the cash intensity of our operations while remaining flexible.

2.4.3. Other changes

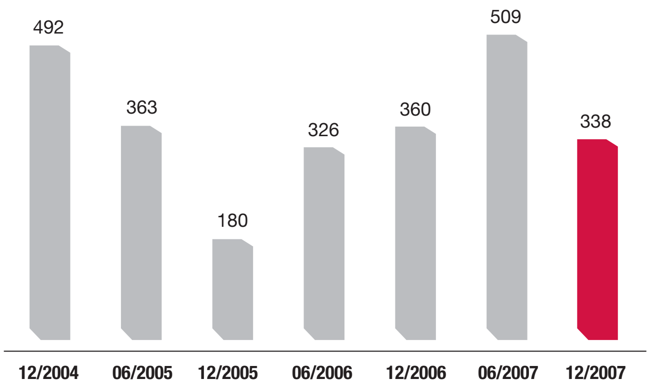
Other changes include mainly common stock issued (EUR 26 million) as the result of the yearly employee stock purchase plan (ESPP), purchase of treasury stock (EUR (21) million) linked to the pre-financing of the Management Investment and Long-Term Incentive Plans so as to limit the dilutive effect of the Management share based plans on shareholders and finally financial interests paid EUR (EUR (31) million).

2.4.4. Net financial investments and entities held for sale

Net financial investments concern mainly a EUR 6.6 million positive price adjustment on Banksys acquisition, the acquisition of the Uni-Medecine Group (EUR 2.4 million) hence creating a business edge for Worldline in the health sector, and the remaining amount for new deposits. Disposal of financial assets concerns mainly the sale of the Actis business in Germany.

2.5. Net debt evolution per semester

(in EUR million)



After an increase of the net debt in H1, mainly due to the negative change in working capital, the net debt improved significantly over H2, from EUR 508.6 million at the end of June to EUR 338.0 million at 31 December 2007.

The leverage ratio (net debt/OMDA) was 0.67 (0.81 in 2006) compared with a covenant requirement for not less than two and a half times cover under the terms of the credit facility.

(in EUR million)	**FY 2007**	FY 2006
Net debt	338	360
Operating margin	272	247
OMDA	505	446
Shareholders' equity	1,864	1,840
Net debt/operating margin	1.24	1.46
Net debt/OMDA	0.67	0.81
Net debt/shareholders equity	18%	20%

2.6. Financing policy

Atos Origin has implemented a strict financing policy which has been reviewed by the Group Audit Committee, with the objective to secure and optimise the Group's liquidity Management. Each decision regarding external financing is approved by the Management Board. Under this policy, all Group treasury activities, including cash management, short-term investments, hedging and foreign exchange transactions, as well as off-balance sheet financing through operating leases, are centrally managed through the Group Treasury department.

2.6.1. Financing structure

Atos Origin's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

In order to benefit from favourable market conditions, Atos Origin signed with a number of major financial institutions on 12 May 2005 a cost efficient EUR 1.2 billion multi-currency revolving facility with five years maturity and a two-year extension option exercisable in 2006 and 2007. These options were exercised in 2006 and 2007 extending the maturity of the multi-currency revolving facility until 12 May 2011 for EUR 1.2 billion and until 12 May 2012 for EUR 1.1 billion.

In addition, Atos Origin implemented a securitisation program in 2004 for a maximum amount of EUR 300 million, and on 7 October 2005 aligned the covenants on this program with the more favourable terms of the new multi-currency revolving facility.

2.6.2. Bank covenants

The Group is substantially within its borrowing covenants, with a consolidated leverage ratio (net debt divided by OMDA) of 0.67 at the end of December 2007. The consolidated leverage ratio may not be greater than 2.5 times under the new multi-currency revolving facility.

The consolidated interest cover ratio (operating margin divided by the net cost of financial debt) was 9.5 times in 2007. It may not be less than four times throughout the term of the new multi-currency revolving facility.

(in EUR million)	**FY 2007**	FY 2006	**Covenants 2007**
Operating margin	271.5	246.7	
Net cost of financial debt	(28.6)	(22.7)	
Coverage of net cost of financial debt by operating margin	**9.5**	**10.9**	**> 4.0**

2.6.3. Investment policy

Atos Origin has a policy to lease its office space and data processing centers. Some fixed assets such as IT equipment and company cars may be financed through leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

2.6.4. Hedging policy

Atos Origin's objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorised derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury Department.

3 FINANCIAL STATEMENTS

3.1. Statutory auditors report on the consolidated financial statements for the year ended 31 December 2007

This is a free translation into English of the statutory auditors' report signed and issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Atos Origin for the year ended 31 December 2007.

The consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion as expressed below.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2007 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

As specified in the note to the consolidated financial statements "Accounting estimates and judgments", presented in "Basis of preparation and significant accounting policies", the preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities. This note specifies that the estimates, assumptions and judgments may result in a significant adjustment to the carrying amounts of assets and liabilities within the next financial statements. As part of our audit of the consolidated financial statements for the year ended 31 December 2007, we considered that goodwill and revenue and profit or loss on completion relating to long-term contracts are subject to significant accounting estimates.

- The value of goodwill was subject to an impairment test by the company as described in section "Business combination and Goodwill", presented in "Basis of preparation and significant accounting policies", and in note "Goodwill" to the consolidated financial statements. We verified the appropriateness of the accounting methods specified above and assessed the appropriateness of the methodology applied. The determination of the cash flows used in the valuation of cash generating units and the other adopted criteria required management to make estimates and assumptions.
- The note "Revenue recognition and associated costs on long-term contracts" presented in "Basis of preparation and significant accounting policies" outlines the methods applied with respect to revenue recognition. The determination of revenue and the profit or loss on completion of long-term contracts requires the use of various operational assumptions such as forecast volume and/or variance in the delivery costs.

We have assessed the reasonableness of the estimates and assumptions used, reviewed the calculations performed by the company, compared the accounting estimates of previous periods with the corresponding results and examined the procedures for the approval of estimates by management.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 8 April 2008

The auditors

Deloitte & Associés		Grant Thornton French member of Grant Thornton International	
Jean-Paul Picard	Jean-Marc Lumet	Daniel Kurkdjian	Vincent Papazian

3.2. Consolidated financial statements

3.2.1. Consolidated Income Statement

(in EUR million)	Notes	12 months ended 31 December 2007	12 months ended 31 December 2006	12 months ended 31 December 2005[(a)]
Revenue	3	**5,855.4**	**5,396.9**	**5,458.9**
Personnel expenses	4	(3,166.9)	(2,995.9)	(2,900.7)
Operating expenses	5	(2,417.0)	(2,154.3)	(2,159.1)
Operating margin		**271.5**	**246.7**	**399.1**
% of revenue		**4.6%**	**4.6%**	**7.3%**
Other operating income and expenses	6	(134.7)	(406.7)	(11.3)
Operating income		**136.8**	**(160.0)**	**387.8**
% of revenue		**2.3%**	**-3.0%**	**7.1%**
Net cost of financial debt		(28.6)	(22.7)	(24.7)
Other financial income and expenses		14.6	11.5	(9.4)
Net financial income	7	(14.0)	(11.2)	(34.1)
Tax charge	8-9	(59.9)	(76.6)	(108.1)
Share of net income from associates		0.1	0.1	0.3
Net income		**63.0**	**(247.7)**	**245.9**
Of which:				
- Group share		**48.2**	**(264.4)**	**235.4**
- Minority interests	10	14.8	16.7	10.5

(in EUR and number of shares)				
Net income-Group share per share	11			
Weighted average number of shares		68,946,489	67,614,323	67,169,757
Basic earnings per share		**0.70**	**(3.91)**	**3.50**
Diluted weighted average number of shares		69,141,410	67,614,323	67,636,614
Diluted earnings per share		**0.70**	**(3.91)**	**3.48**

(a) 2005 has been restated to be in line with 2006 equity-based compensation classification in personnel expenses compared to the classification in other operating income and expenses in 2005.

3.2.2. Consolidated balance sheet

(in EUR million)	Notes	31 December 2007	31 December 2006	31 December 2005
Assets				
Goodwill	12	1,867.8	2,045.6	2,172.4
Intangible assets	13	74.9	118.3	74.9
Tangible assets	14	437.0	382.4	323.5
Non-current financial assets	15	70.9	45.0	33.9
Deferred tax assets	9	247.0	258.0	265.6
Total non-current assets		**2,697.6**	**2,849.3**	**2,870.3**
Trade accounts and notes receivable	16	1,459.8	1,599.9	1,563.0
Current tax assets		13.7	46.7	52.4
Other current assets		176.4	226.3	237.6
Current financial instruments	22	1.1	1.2	0.9
Cash and cash equivalents	18	348.0	453.9	533.5
Total current assets		**1,999.0**	**2,328.0**	**2,387.4**
Assets held for sale	2	**468.5**		**36.2**
Total assets		**5,165.1**	**5,177.3**	**5,293.9**

(in EUR million)	Notes	31 December 2007	31 December 2006	31 December 2005
Liabilities and Shareholders' Equity				
Common stock		69.7	68.9	67.4
Additional paid-in capital		1,329.5	1,304.2	1,252.8
Consolidated reserves		271.3	536.6	289.5
Translation adjustments		(27.2)	29.6	28.3
Net income for the period		48.2	(264.4)	235.4
Shareholders' equity – Group share		1,691.5	1,674.9	1,873.4
Minority interests	10	172.9	165.5	153.2
Total shareholders' equity		**1,864.4**	**1,840.4**	**2,026.5**
Provisions for pensions and similar benefits	19	394.5	458.6	477.8
Non-current provisions	20	101.3	131.9	147.5
Borrowings	21	443.7	589.2	506.2
Deferred tax liabilities	9	68.5	54.9	20.6
Non-current financial instruments	22		1.2	6.4
Other non-current liabilities		1.2	0.5	3.6
Total non-current liabilities		**1,009.2**	**1,236.3**	**1,162.1**
Trade accounts and notes payables	23	566.1	609.1	587.2
Current tax liabilities		44.0	69.6	79.3
Current provisions	20	125.2	132.1	104.9
Current financial instruments	22	1.3	1.9	6.2
Current portion of borrowings	21	242.3	225.0	201.4
Other current liabilities	24	1,066.9	1,062.9	1,110.9
Total current liabilities		**2,045.8**	**2,100.6**	**2,089.9**
Liabilities associated with assets held for sale	2	**245.7**		**15.4**
Total liabilities and shareholders' equity		**5,165.1**	**5,177.3**	**5,293.9**

3.2.3. Consolidated cash flow statement

(in EUR million)	Notes (*)	**12 months ended 31 December 2007**	12 months ended 31 December 2006	12 months ended 31 December 2005
Net income Group share		**48.2**	**(264.4)**	**235.4**
Depreciation of fixed assets	5	223.0	176.3	153.0
Net charge to operating provisions		(18.0)	(2.0)	(67.0)
Net charge to financial provisions		(18.0)	(20.6)	3.0
Net charge to other operating provisions		(8.6)	(25.1)	(84.1)
Impairment of long-term assets		47.1	377.6	44.5
(Gains)/losses on disposals of fixed assets		(31.9)	(11.7)	(40.2)
Net charge for equity-based compensation	4	18.8	23.2	13.9
Minority interests and associates	10	14.7	16.7	10.2
(Gains)/losses on financial instruments		(0.6)	1.2	11.8
Financial interests	7	30.6	22.7	28.3
Tax charge (including deferred tax)	8	59.9	76.6	108.1
Cash from operating activities before change in working capital requirement, financial interest and taxes	a	**365.2**	**370.5**	**416.9**
Taxes paid	b	(48.3)	(39.3)	(29.2)
Change in working capital requirement	c	29.6	(42.5)	27.4
Net cash from/(used in) operating activities		**346.4**	**288.7**	**415.2**
Purchase of tangible and intangible assets	d	(322.7)	(207.7)	(173.5)
Proceeds from disposals of tangible and intangible assets	e	22.3	2.1	11.0
Net operating investments		**(300.4)**	**(205.6)**	**(162.5)**
Amounts paid for acquisitions and long-term investments	f	(7.4)	(345.2)	(38.2)
Cash and cash equivalents of companies purchased during the period	g	0.2	52.7	8.6
Proceeds from disposals of financial investments	h	28.0	45.4	188.1
Cash and cash equivalents of companies sold during the period	i	(5.5)	(2.7)	(30.6)
Net long-term investments		**15.3**	**(249.8)**	**127.9**
Net cash from/(used in) investing activities		**(285.1)**	**(455.4)**	**(34.6)**
Common stock issues	j		-	-
Common stock issues on the exercise of stock options	k	26.1	52.9	13.2
Purchase and sale of treasury stock	l	(20.6)	(14.6)	-
Dividends paid to minority shareholders of subsidiaries	m	(3.4)	(2.2)	(5.0)
New borrowings	n	30.5	225.2	665.6
Repayment of long and medium-term borrowings	o	(162.5)	(141.2)	(979.6)
Net interest paid (including finance lease)	p	(30.6)	(22.4)	(32.3)
Net cash from/(used in) financing activities		**(160.5)**	**97.8**	**(338.0)**
Increase/(decrease) in cash and cash equivalents	q	**(99.2)**	**(68.9)**	**42.5**
Opening cash and cash equivalents		**453.9**	**533.5**	**465.5**
Increase/(decrease) in cash and cash equivalents	q	(99.2)	(68.9)	42.5
Impact of exchange rate fluctuations on cash and cash equivalents		(6.7)	(10.7)	25.6
Closing cash and cash equivalents		**348.0**	**453.9**	**533.5**

(*) For reconciliation to the financial review and to note 21 of the financial statements.

3.2.4. Consolidated statement of changes in shareholders' equity

(in EUR million)	Number of shares at period-end *(thousands)*	Common stock	Additional paid-in capital	Consolidated reserves	Translation adjustments	Items recognised directly in equity	Net income Group share	Equity– Group share	Minority interests	Total
At 1 January 2005	**66,938**	**66.9**	**1,240.1**	**168.6**	**(2.8)**		**113.3**	**1,586.0**	**49.3**	**1,635.3**
* Common stock issued	425	0.4	12.7					13.2		13.2
* Translation adjustments					31.9			31.9	0.6	32.5
* Equity-based compensation				13.9				13.9		13.9
* Appropriation of prior period net income				113.3			(113.3)			
* First-time adoption of IAS 32/39				(1.6)		(8.1)		(9.8)		(9.8)
* Changes in fair value of financial instruments					(0.8)	4.3		3.5		3.5
* Net income for the period							235.4	235.4	10.5	245.9
* Other				(0.7)				(0.7)	92.8	92.1
At 31 December 2005	**67,363**	**67.4**	**1,252.8**	**293.5**	**28.3**	**(3.8)**	**235.4**	**1,873.4**	**153.2**	**2,026.5**
* Common stock issued	1,518	1.5	51.4					52.9		52.9
* Translation adjustments					1.3			1.3	0.9	2.2
* Equity-based compensation				23.2				23.2		23.2
* Changes in treasury stock				(14.6)				(14.6)		(14.6)
* Appropriation of prior period net income				235.4			(235.4)			
* Changes in fair value of financial instruments						2.3		2.3		2.3
* Net income for the period							(264.4)	(264.4)	16.7	(247.7)
* Other				0.8				0.8	(5.3)	(4.4)
At 31 December 2006	**68,881**	**68.9**	**1,304.2**	**538.1**	**29.6**	**(1.5)**	**(264.4)**	**1,674.9**	**165.5**	**1,840.4**
* Common stock issued	829	0.8	25.3					26.1		26.1
* Translation adjustments					(56.8)			(56.8)	(4.9)	(61.7)
* Equity-based compensation				18.8				18.8		18.8
* Changes in treasury stock				(20.6)				(20.6)		(20.6)
* Appropriation of prior period net income				(264.4)			264.4			
* Changes in fair value of financial instruments						0.9		0.9		0.9
* Net income for the period							48.2	48.2	14.8	63.0
* Other									(2.5)	(2.5)
At 31 December 2007	**69,710**	**69.7**	**1,329.5**	**271.9**	**(27.2)**	**(0.6)**	**48.2**	**1,691.5**	**172.9**	**1,864.4**

3.3. Notes to the consolidated financial statements

3.3.1. General information

Atos Origin, the Group's parent company, is a *société anonyme* (commercial company) with a Supervisory board and a Management board, incorporated under French law, whose registered office is located at 18, avenue d'Alsace, Paris-La Défense, 92400 Courbevoie, France. It is registered with the Nanterre Register of Commerce and Companies under the reference 323 623 603 RCS Nanterre and listed on the Paris Stock Exchange.

The consolidated financial statements of the Group for the twelve months ended 31 December 2007 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were presented and approved by the Management Board to the Supervisory Board on 14 February 2008. These consolidated financial statements will become definitive following their adoption by the Annual General Shareholders' Meeting of 22 May 2008.

3.3.2. Basis of preparation and significant accounting policies

Basis of preparation

Pursuant to European Regulation No.1606/2002 of 19 July 2002, the consolidated financial statements for the twelve months ended 31 December 2007 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union as at 31 December 2007. The international standards comprise the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial reporting Interpretations Committee (IFRIC).

The policy set out below has been consistently applied to all years presented.

Certain new standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after 1 January 2007:

- IFRS 7 *Financial Instruments: disclosures;*
- IAS 1 (revised) *Presentation of financial statements;*
- IFRIC 7 *Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies;*
- IFRIC 8 *Scope of IFRS 2;*
- IFRIC 9 *Reassessment of Embedded Derivatives;*
- IFRIC 10 *Interim Financial Reporting and Impairment.*

The adoption of those new standards, interpretations and amendments has no material impact on the Group consolidated financial statements.

The consolidated financial statements do not take into account:

- New standards, interpretations and amendments to existing standards not yet approved by the European Union. This notably concerns:
  - IAS 23 (revised) *Borrowing Costs,*
  - IFRIC 12 *Service Concession Arrangements,*
  - IFRIC 13 *Customer Loyalty Programmes,*
  - IFRIC 14 *IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;*
- Draft standards that are still at the exposure draft stage of the International Accounting Standards Board (IASB);
- Standards or interpretations published, adopted at the European level, but with an application date subsequent to 31 December 2007. This notably concerns:
  - IFRS 8 *Operating Segments,*
  - IFRIC 11 *IFRS 2: Group and Treasury Share Transactions.*

At the date of this report the potential impact on the consolidated financial statements of the application of this standard and this interpretation is not available.

Valuation bases

The consolidated financial statements are prepared in accordance with the historical cost convention, with the exception of:

- certain financial assets and liabilities measured at fair value;
- non-current assets held for sale or disposal groups, measured and recognised at the lower of net carrying amount and fair value less costs to sell as soon as their sale is considered highly probable. These assets are no longer depreciated from the time they qualify as assets (or disposal groups) held for sale.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities within the next financial statements are essentially related to:

Impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations. These calculations require the use of estimates as described in note 12.

Revenue recognition and associated costs on long-term contracts

Revenue recognition and associated costs, including forecast losses on completion are measured according to policy stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs and have a direct influence on the level of revenue and eventual forecast losses on completion that are recognised.

Consolidation methods

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate method. Operating and shareholders' agreements are considered when assessing the joint control.

Associates

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50% of the voting rights. Investments in associates are accounted for by the equity method.

Segment reporting

The Group's operational organisation is based on regions composed of geographical areas. The primary reporting segment corresponds to these geographical areas and the secondary reporting segment to the service lines.

Presentation rules

Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realised, used or settled during the normal cycle of operations, which can extend beyond 12 months following the period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

Assets and liabilities held for sale or discontinued operations

Assets and liabilities held for sale or discontinued operations are presented on separate lines in the Group's balance sheet, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets and liabilities are available for immediate sale in their present condition.

Should these assets and liabilities represent either a complete business line or a geographical segment, the profit or loss from these activities are presented on a separate line of the income statement, and is restated in the cash flow statement and the income statement over all published periods.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognised as a separate component of equity under "Translation adjustments".

The Group does not consolidate any entity operating in a hyperinflationary economy.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied as explained in the paragraph "Financial assets – Derivative financial instruments".

Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or improve significantly its competitive position within a business or a geographical sector are considered for business combination accounting. Goodwill represents the excess of the cost of a business combination, including transaction expenses directly attributable to the business combination in accordance with IFRS 3, over the Group's interest in the fair value of assets, liabilities and contingent liabilities acquired at the acquisition date.

Goodwill is not amortised and is subject to an impairment test performed at least annually or more often in case of a trigger event. Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations. The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognised in the operating income. The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long term assets of the unit.

Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software and customer relationships acquired in relation with a business combination as well as internally developed software, provided that the following conditions are satisfied:

- the costs can be attributed to the identified software and measured reliably;
- the technical feasibility of the software has been demonstrated;
- the Group has the intention and the capability to complete the software development and to use or sell it; and
- it is probable that future economic benefits will flow to the Group.

Once all these criteria are reached, the majority of software development costs have been already incurred and consequently, most of software developments costs are expensed when incurred. In specific Business Process Outsourcing (BPO) cases where developments and adapting software costs are engaged only once agreements with clients are signed, those costs are capitalised and amortised in operating expenses over the term of the contract.

Intangible assets are amortised on a straight-line basis over their expected useful life, generally not exceeding five to seven years for software and ten years for customer relationships acquired in a business combination; their related depreciation are recorded in operating expenses.

Tangible assets

Tangible assets are recorded at acquisition cost, excluding any interest expenses. They are depreciated on a straight-line basis over the following expected useful lives:

• Buildings	20 years
• Fixtures and fittings	5 to 10 years
• Computer hardware	3 to 5 years
• Vehicles	4 years
• Office furniture and equipment	5 to 10 years

Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Impairment of assets other than goodwill

Assets that are subject to amortisation are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable value.

Financial assets

Financial assets are accounted for at trade date.

Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are treated as assets available for sale and recognised at their fair value. For listed shares, fair value corresponds to the share price at closing date. In the absence of an active market for the shares, the investments in non-consolidated companies are carried at historical cost. An impairment cost is recognised when there is objective evidence of a permanent impairment in value. The most common financial criteria used to determine fair value are equity and earnings outlooks. Gains and losses arising from variation in the fair value of available for sale assets are recognised as "items recognised directly in equity". If there is evidence that an asset is permanently impaired, the cumulative loss is written off in the income statement under "other financial income and expense".

Loans, trade accounts and notes receivable

Loans are part of non-current financial assets. Loans, trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortised value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

Effective from 1 January 2006, certain service arrangements might qualify for treatment as lease contracts if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the asset to its customers, the Group recognises assets held under finance lease and presents them as "Trade accounts and notes receivable" for the part that will be settled within 12 months, and "Non-current financial assets" for the part beyond 12 months.

Assets securitisation

Assets securitisation programmes, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognised. The transferred assets and the financial liability are valued at their amortised costs.

Derivative financial instruments

Derivative instruments are recognised as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- for fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the balance sheet at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of hedging instruments.
- for cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly offset in shareholders' equity as "items recognised directly in the equity". The change in value of the ineffective portion is recognised in "Other financial income and expenses". The amounts recorded in net equity are transferred to the income statement simultaneously to the recognition of the hedged items.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and money market securities that are convertible into cash at very short notice and are not exposed to any significant risk of impairment. Money market securities are recognised at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

Cash and cash equivalents are measured at fair value through profit and loss.

Treasury stock

Atos Origin shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

Pensions and similar benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Defined contribution costs are recognised in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group commitments in respect of defined benefit plans is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions, detailed in note 19, which are periodically updated, in close liaison with external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

From one accounting period to the other, any difference between the projected and actual amounts of commitments in respect of pension plans and their related assets is cumulated at each benefit plan's level to form actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period.

Group final option in terms of recognition method for actuarial differences has not been elected yet, since an option has been introduced under IAS 19 to recognise these actuarial differences through equity. By application of the "corridor" method, the Group therefore continues to recognise in its profit and loss account only the portion of cumulated actuarial differences which is above a normative fluctuation margin of 10% of the greater, at closing, of plan commitments and their related assets. This portion is amortised over the remaining active life of the beneficiaries of each particular benefit plan.

Benefit plans costs are recognised in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognised in other financial income.

Provisions

Provisions are recognised when:

- the Group has a present legal, regulatory, contractual or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably quantified.

Provisions are discounted when the time value effect is material. The provision revaluation at each accounting period results in a provision increase recognised in financial expenses.

Borrowings

Borrowings are recognised initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortised costs. The calculation of the effective interest rate takes into account interest payments and the amortisation of the debt issuance costs.

Debt issuance costs are amortised in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

The Group does not capitalise borrowing costs as part of the costs of acquired assets.

Minority interest purchase commitments

Firm or conditional commitments under certain conditions to purchase minority interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of minority interests. When the cost of the purchase exceeds the amount of minority interests, the Group chooses to recognise the balance as goodwill. Any further change in the fair value of the minority purchase commitment will also be recorded in goodwill.

Revenue Recognition

The Group provides information technology (IT) and business process outsourcing (BPO) services. Depending on the structure of the contract, revenue is recognised accordingly to the following principles:

Revenue based on variable IT work units is recognised as the services are rendered.

Where the outcome of fixed price contracts such as Consulting and Systems Integration contracts can be estimated reliably, revenue is recognised using the percentage-of-completion (POC) method. Under the POC method, revenue is recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract. Revenue relating to these contracts is recorded in the Consolidated Balance Sheet under “Trade accounts and notes receivable” for services rendered in excess of billing, while billing exceeding services rendered is recorded as deferred income under “other current liabilities”. Where the outcome of a fixed price contract cannot be estimated reliably, contract revenue is recognised to the extent of contracts costs incurred that are likely to be recoverable.

Revenue for long-term fixed price Managed Operations services is recognised when services are rendered.

If circumstances arise, that change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. The company performs ongoing profitability analyses of its services contracts in order to determine whether the latest estimates of revenue, costs and profits, require updating. If, at any time, these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.

Revenue is reported net of supplier costs when the Group is acting as an agent between the client and the supplier. Factors generally considered to determine whether the Group is a principal or an agent, are most notably whether it is the primary obligor to the client, it assumes credit and delivery risks, or it adds meaningful value to the supplier’s product or service.

The Group enters into multiple-element arrangements, which may include combinations of different services. Revenue is recognised for the separate elements when they have been subject to separate negotiation, the contractor and customer have been able to accept or reject that part of the contract relating to each component, and, each component’s costs and revenues can be identified. A group of contracts is combined and treated as a single contract when that group of contracts is negotiated as a single package and the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin, and the contracts are performed concurrently or in a continuous sequence.

Upfront payments to clients incurred at contract inception are recorded in “other current assets” and spread as a reduction of revenue over the term of the contract. Up-front payments received from clients at contract inception are recorded in “Other current liabilities” and spread as an increase in revenue over the term of the contract.

Transition costs

Costs related to delivering Managed Operations services are generally expensed as incurred. However, certain transition costs incurred in the initial phases of outsourcing contracts can be deferred and expensed over the contract term, provided that they will be recovered. Capitalised transition costs are classified in “Trade accounts and notes receivable” of the Consolidated Balance Sheet and amortisation expense is recorded in “Operating expenses” in the Consolidated Income Statement.

In case the contract turns out to be loss-making, capitalised transition costs are impaired for the related forecasted loss, before recognising an additional provision for estimated losses on completion when necessary.

Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal or infrequent. They are presented below the operating margin.

Classification of restructuring provisions in the income statement depends on the nature of the restructuring:

- restructurings directly in relation with operations are classified within the Operating Margin;
- restructurings related to business combinations or qualified as unusual, infrequent and abnormal are classified in the Operating Income.

When accounting for business combinations, the Group may record provisions for risks, litigations, etc. in the opening balance sheet for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the Income Statement under "Other operating income and expenses".

"Other operating income and expenses" also include major litigations, and non-recurrent capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, or any other item that is infrequent, unusual and abnormal.

Equity-based compensation

Stocks options are granted to management and certain employees at regular intervals. These equity-based compensation are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of share options is recognised in "Personnel expenses" on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognised directly in equity.

In some tax jurisdictions, Group's entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise. In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group's share price at each closing date, and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured taking into account:

- the exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- the 20% discount granted to employees;
- the consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share;
- the grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognised in "Personnel expenses" at the end of the subscription period.

The Group has also granted to management and certain employees bonus shares plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account the employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable. Bonus share plans result in the recognition of a personal expense spread over the rights vesting period.

Corporate income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognised when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognised, to the extent they do not arise from the initial recognition of goodwill.

Earnings per share

Basic earnings per share are calculated by dividing the net income (Group share) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net income (Group share), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximise the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos Origin shares over the period.

3.3.3. Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, cash flow interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Global Treasury Department and involves minimising potential adverse effects on the Group's financial performance.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Atos Origin's policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by Group Treasury Department.

Maturity analysis of financial liabilities is disclosed in Note 22.

Cash flow interest rate risk

Cash flow interest rate risk arises mainly from borrowings. The management of exposure to interest rate risk encompasses two types:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Consolidated Income Statement and, as such, future net income of the Group up to maturity of these assets;
- a cash flow risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate on the Group's debt is to minimise the cost of debt and to protect the Group against fluctuation in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorised derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

Currency risk

The Group's financial performance is not materially influenced by fluctuations in exchange rate since a significant portion of the business takes place within the euro zone and costs and revenues are generally denominated in the same currency. The main residual exposures are primarily in UK pounds and US dollars.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it occurs. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

Price risk

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

Foreign currency translation rates

Country		2007 Average rate	31 December 2007 Closing rate	2006 Average rate	31 December 2006 Closing rate	2005 Average rate	31 December 2005 Closing rate
Argentina (ARS)	ARS 100 = EUR	23.527	22.109	25.912	24.765	27.379	27.962
Brazil (BRL)	BRL 100 = EUR	37.517	38.820	36.606	35.426	33.270	36.475
Chile (CLP)	CLP 1,000 = EUR	1.400	1.401	1.497	1.425	1.443	1.649
China (CNY)	CNY 100 = EUR	9.617	9.448	9.986	9.726	9.819	10.504
Colombia (COP)	COP 10,000 = EUR	3.522	3.489	3.370	3.412	3.454	3.711
Hong Kong (HKD)	HKD 100 = EUR	9.374	8.899	10.260	9.773	10.343	10.932
India (INR)	INR 100 = EUR	1.773	1.765	1.762	1.717	1.824	1.867
Japan (JPY)	JPY 10,000 = EUR	62.150	60.883	68.599	64.061	73.068	71.994
Malaysia (MYR)	MYR 100 = EUR	21.265	20.801	21.718	21.527	21.235	22.430
Mexico (MXN)	MXN 100 = EUR	6.693	6.421	7.313	6.981	7.393	7.977
Middle-East (SAR)	SAR 100 = EUR	19.522	18.543	21.245	20.286	21.452	22.602
Peru (PEN)	PEN 100 = EUR	23.252	23.343	24.270	23.767	24.341	24.797
Poland (PLN)	PLN 100 = EUR	26.418	27.736	25.674	26.048	24.873	25.907
Singapore (SGD)	SGD 100 = EUR	48.499	47.753	50.152	49.463	48.334	50.948
South Africa (ZAR)	ZAR 100 = EUR	10.353	9.932	11.893	10.846	12.637	13.397
Sweden (SEK)	SEK 100 = EUR	10.816	10.561	10.804	11.083	10.779	10.651
Switzerland (CHF)	CHF 100 = EUR	61.004	60.136	63.603	62.274	64.586	64.305
Taiwan (TWD)	TWD 100 = EUR	2.221	2.135	2.451	2.327	2.500	2.580
Thailand (THB)	THB 100 = EUR	2.255	2.308	2.100	2.093	1.997	2.065
Turkey (TRY)	TRY 100 = EUR	55.921	58.658	55.743	53.330	59.689	62.798
United Kingdom (GBP)	GBP 1 = EUR	1.463	1.375	1.467	1.491	1.462	1.459
USA (USD)	USD 100 = EUR	73.139	69.454	79.716	75.994	80.435	84.767
Venezuela (VEB)	VEB 10,000 = EUR	3.405	3.238	3.710	3.540	3.839	3.948

3.3.4. Notes to the consolidated financial statements

Note 1 - Change of scope of consolidation

Acquisition

In February 2007, the Group announced the acquisition 100% of Uni-Medecine Group, through its Atos Worldline subsidiary for an amount of EUR 2.4 million. The company was consolidated as of 1 February 2007 and represents EUR 1.8 million of revenue and a net loss of 0.4 million over the period.

Disposals

In February 2007, the Group has finalised the sale of its software activity B2B to Axway, a subsidiary of Sopra. This activity made EUR 15 million revenue in 2006 with 162 legal staff, and was consolidated until 31 January 2007.

The Group also sold its activities in Chile early February. This activity made EUR 4.9 million revenue in 2006 with 81 legal staff. No trading activity was recognised in 2007.

Note 2 - Assets and liabilities held for sale

On 10 December 2007, the Group has signed an agreement to dispose of its activities in Italy to Engineering. This sale is subject to the approval of the Italian Anti-trust Authority. This activity made EUR 260.7 million revenue in 2007 for 2,572 people. The reclassification impact on the closing balance sheet is EUR 157.6 million on the asset side and EUR 129.0 million on the liabilities. These assets have been recognised at their fair value less cost to sell, which is lower than their carrying value. An impairment loss of EUR 9.9 million has consequently been recognised in other operating items, of which EUR 6 million have been allocated to non current assets and EUR 3.9 million to trade accounts and notes receivables.

On 12 December 2007, the Group has announced an agreement in principle with NYSE Euronext for the latter to acquire the Group's 50% stake in Atos Euronext Market Solutions (AEMS). The proceed of the sale shall exceed the carrying amount of the related net assets and, accordingly, no impairment loss was recognised on the reclassification of these operations as held for sale.

This activity made EUR 317.4 million revenue in 2007 for 1,032 people. The reclassification impact on the closing balance sheet is EUR 310.8 million on the asset side and EUR 116.7 million on the liabilities.

(in EUR million)	Notes	Italy	AEMS	Total
Assets and liabilities disclosed as held for sale				
Goodwill	12	-	128.2	128.2
Intangible assets	13	0.1	38.5	38.6
Tangible assets	14	0.1	25.3	25.4
Financial assets		0.1	3.4	3.5
Deferred tax assets	9	-	13.6	13.6
Subtotal Non-Current Assets		**0.3**	**209.0**	**209.3**
Current assets		157.4	101.8	259.2
Total Assets		**157.6**	**310.8**	**468.5**
Deferred tax liabilities	9	0.1	7.7	7.8
Pensions	19	28.2	2.6	30.8
Provisions for contingencies and losses	20	10.9	7.2	18.1
Current liabilities		89.8	99.3	189.1
Total Liabilities		**129.0**	**116.7**	**245.7**

The net cash or debt positions of Italy and AEMS have not been reclassified in assets held for sale as part of the Group intercompany cash pool. This represents a net cash position of EUR 54.6 million.

Note 3 - Segment information

Segment assets consist primarily of goodwill, property, plant and equipment, intangible assets, inventories, derivatives designed as hedges of future commercial transactions or receivables. They exclude income tax assets and cash.

Segment liabilities comprise operating and non-operating liabilities excluding income tax liabilities and borrowings with related derivatives instruments.

The classification of Italy and AEMS as held for sale has impacted the French, the United Kingdom and the Other EMEA segments.

Primary reporting format - geographical segments

The Group is organised on a worldwide basis into seven geographical segments. Geographical segments are made of the following countries:

Geographical segments	Countries
France	France
Netherlands	Netherlands
United Kingdom	United Kingdom
Germany & Central Europe	Germany, Switzerland, Poland, Austria
Other European countries, Middle-East and Africa	Belgium, Luxembourg, Sweden, Italy, Spain, Portugal, Andorra, Greece, Turkey, Morocco, Saudi Arabia, Dubai, Bahrain, South Africa
Americas	United States of America, Mexico, Argentina, Brazil, Chile, Peru, Colombia, Venezuela
Asia - Pacific	China, Taiwan, Japan, Malaysia, Singapore, Thailand, Indonesia, India

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

The geographical primary segment information for the year ended 31 December 2007 is as follows:

(in EUR million)	France	United Kingdom	Netherlands	Germany & Central Europe	Other EMEA	Americas	Asia - Pacific	Unallocated[1]	Eliminations	Total Group
Income statement										
External revenue by segment	1,684.9	1,042.2	1,083.4	606.6	1,066.5	228.2	143.5			5,855.4
%	28.8%	17.8%	18.5%	10.4%	18.2%	3.9%	2.5%			100.0%
Inter-segment revenue	80.3	168.5	35.2	19.8	64.4	10.9	43.9	0.0	(423.0)	
Total revenue	1,765.1	1,210.7	1,118.7	626.4	1,130.9	239.2	187.4	0.0	(423.0)	5,855.4
Operating margin before allocation of corporate costs	**80.9**	**76.6**	**127.2**	**44.6**	**64.1**	**6.9**	**8.2**	**(137.0)**		**271.5**
%	4.8%	7.3%	11.7%	7.4%	6.0%	3.0%	5.7%			4.6%
Allocation of corporate costs	(34.5)	(19.2)	(23.7)	(9.3)	(12.7)	(3.7)	0.3	102.9		
%	-2.0%	-1.8%	-2.2%	-1.5%	-1.2%	-1.6%	0.2%			
Operating margin after allocation of corporate costs	46.4	57.3	103.5	35.4	51.3	3.2	8.5	(34.1)		271.5
%	2.8%	5.5%	9.6%	5.8%	4.8%	1.4%	5.9%			4.6%
Operating Income before allocation of corporate costs	**33.5**	**31.9**	**126.3**	**61.4**	**24.3**	**7.9**	**8.6**	**(157.2)**		**136.8**
%	2.0%	3.1%	11.7%	10.1%	2.3%	3.4%	6.0%			2.3%
Profit before tax										122.7
Income tax expense										(59.9)
Net income										63.0
Other information on income statement										
Share of profit of associates										
Impairment losses recognised in profit or loss										
Depreciation of fixed assets	(52.0)	(45.7)	(23.7)	(46.8)	(28.0)	(10.1)	(14.5)	(2.2)		(223.0)
Net depreciation of current assets	(0.7)	(0.6)	(0.5)	0.7	(0.8)	0.0	0.1	0.0		(2.0)
Net charge to provision	(0.4)	18.6	9.5	(7.0)	3.5	(0.2)	1.6	(5.6)		19.9
Segment assets[2]	1,240.6	951.9	672.1	373.1	970.1	124.5	189.3	34.9		4,556.4
Tax related assets										260.7
Cash and cash equivalents										348.0
Total assets										**5,165.1**
Segment liabilities[2]	653.4	612.9	302.7	213.8	430.6	95.5	106.4	85.6		2,500.9
Tax related liabilities										112.5
Borrowings and their derivative instruments										687.4
Total liabilities										**3,300.7**
Other information										
Year-end number of employees	15,528	6,179	8,398	4,076	10,663	2,629	3,974	256		51,704
Capital expenditure	69.6	73.8	47.8	60.4	27.0	14.3	27.3	2.5		322.7

(1) Central structure costs not allocated by geographical segment.
(2) Including assets and liabilities reclassified as held for sale.

The geographical primary segment information for the year ended 31 December 2006 is as follows:

(in EUR million)	France	United Kingdom	Netherlands	Germany & Central Europe	Other EMEA	Americas	Asia - Pacific	Unallocated[1]	Eliminations	Total Group
Income statement										
External revenue by segment	1,652.2	1,034.8	1,051.3	592.0	733.5	201.7	131.4			5,396.9
%	30.6%	19.2%	19.5%	11.0%	13.6%	3.7%	2.4%			100.0%
Inter-segment revenue	97.0	189.7	31.4	15.3	49.6	12.2	34.6	28.9	(458.7)	
Total revenue	1,749.2	1,224.5	1,082.7	607.4	783.1	213.9	165.9	28.9	(458.7)	5,396.9
Operating margin before allocation of corporate costs	**105.5**	**24.1**	**139.4**	**46.4**	**14.5**	**11.6**	**12.0**	**(106.7)**		**246.7**
%	6.3%	2.4%	13.3%	7.8%	2.0%	5.8%	9.1%			4.6%
Allocation of corporate costs	(16.2)	(11.1)	(12.0)	(6.6)	(5.9)	(2.8)	1.7	52.9		
%	-1.0%	-1.1%	-1.1%	-1.1%	-0.8%	-1.4%	1.3%			
Operating margin after allocation of corporate costs	89.3	13.0	127.4	39.8	8.6	8.8	13.7	(53.8)		246.7
%	5.4%	1.3%	12.1%	6.7%	1.2%	4.4%	10.4%			4.6%
Operating Income before allocation of corporate costs	**98.0**	**(283.3)**	**137.1**	**48.4**	**(82.6)**	**13.7**	**14.7**	**(106.0)**		**(160.0)**
%	5.9%	-27.4%	13.0%	8.2%	-11.3%	6.8%	11.2%			-3.0%
Profit before tax										(171.1)
Income tax expense										(76.6)
Net income										(247.7)
Other information on income statement										
Share of profit of associates	0.1									0.1
Impairment losses recognised in profit or loss		(300.0)			(77.6)					(377.6)
Depreciation of fixed assets	(42.6)	(45.2)	(15.9)	(47.4)	(8.4)	(5.1)	(10.0)	(1.7)		(176.3)
Net depreciation of current assets	1.5	(3.2)	0.5	(0.7)	(2.5)	1.1				(3.2)
Net charge to provision	(4.5)	(9.8)	16.0	(2.5)	7.9		4.9	(6.7)		5.3
Segment assets	1,456.6	1,006.5	602.6	347.3	678.4	104.5	190.1	32.6		4,418.7
Tax related assets										304.7
Cash and cash equivalents										453.9
Total assets										**5,177.3**
Segment liabilities	608.7	618.2	275.3	198.8	419.0	100.6	98.1	78.3		2,397.0
Tax related liabilities										124.5
Borrowings and their derivative instruments										815.4
Total liabilities										**3,336.9**
Other information										
Year-end number of employees	14,887	6,322	8,248	3,882	10,437	2,774	3,110	181		49,841
Capital expenditure	57.7	63.0	25.9	35.4	11.7	5.1	15.1	2.9		216.8

(1) Central structure costs not allocated by geographical segment.

The geographical primary segment information for the year ended 31 December 2005 is as follows:

(in EUR million)	France	United Kingdom	Netherlands	Germany & Central Europe	Other EMEA	Americas	Asia - Pacific	Unallocated[1]	Eliminations	Total Group
Income statement										
External revenue by segment	1,526.5	1,163.8	1,024.8	562.2	839.1	196.9	145.7			5,458.9
%	28.0%	21.3%	18.8%	10.3%	15.4%	3.6%	2.7%			100.0%
Inter-segment revenue	50.0	84.2	39.3	15.8	44.8	11.1	25.5	37.2	(307.7)	
Total revenue	1,576.5	1,248.0	1,064.1	578.0	883.8	207.9	171.2	37.2	(307.7)	5,458.9
Operating margin before allocation of corporate costs	**111.5**	**115.0**	**151.1**	**42.8**	**44.0**	**2.1**	**15.3**	**(82.6)**		**399.1**
%	7.3%	9.9%	14.7%	7.6%	5.2%	1.1%	10.5%			7.3%
Allocation of corporate costs	(15.4)	(11.6)	(11.3)	(6.2)	(9.6)	(1.8)	4.6	51.4		-
%	-1.0%	-1.0%	-1.1%	-1.1%	-1.1%	-0.9%	3.1%			0.0%
Operating margin after allocation of corporate costs	96.1	103.5	139.8	36.6	34.2	0.3	19.9	(31.2)		399.1
%	6.3%	8.9%	13.6%	6.5%	4.1%	0.0%	13.7%			7.3%
Operating Income before allocation of corporate costs	**104,5**	**138.8**	**124.1**	**44.7**	**42.5**	**(5.4)**	**21.1**	**(82.5)**		**387.8**
%	6.8%	11.9%	12.1%	8.0%	5.1%	-2.7%	14.5%			7.1%
Profit before tax										353.7
Income tax expense										(108.1)
Net income										245.9
Other information on income statement										
Share of profit of associates	0.2				0.1					0.3
Impairment losses recognised in profit or loss					(29.2)	(15.3)				(44.5)
Depreciation of fixed assets	(40.7)	(34.5)	(16.8)	(32.7)	(11.6)	(4.7)	(10.8)	(1.3)		(153.0)
Net depreciation of current assets	0.3	2.1	0.7	0.1	3.0		0.9	0.2		7.2
Net charge to provision	(2.3)	15.5	21.7	1.2	6.7	(0.6)	21.5	(4.0)		59.7
Segment assets	1,223.7	1,275.7	612.6	365.2	629.3	116.6	192.7	26.8		4,442.4
Tax related asset										318.0
Cash and cash equivalents										533.5
Total assets										**5,293.9**
Segment liabilities	926.5	384.9	123.3	200.9	327.0	29.6	76.8	384.4		2,453.5
Tax related liabilities										99.9
Borrowings and their derivative instruments										714.0
Total liabilities										**3,267.4**
Other information										
Year-end number of employees	13,886	6,873	8,429	3,749	9,575	2,475	2,504	193		47,684
Capital expenditure	46.5	31.8	20.1	94.4	11.6	6.0	17.6	2.2		230.1

(1) Central structure costs not allocated by geographical segment.

Secondary reporting format - information by service line

The segment information for the year ended 31 December 2007 is as follows:

(in EUR million)	Consulting(2)	Systems Integration(2)	Managed Operations(2)	Unallocated	Total Group
External revenue	360.1	2,338.4	3,156.9		5,855.4
Operating margin before allocation of corporate costs(1)	17.5	95.7	274.3	(116.0)	271.5
% margin	4.9%	4.1%	8.7%		4.6%
Carrying amount of segment assets(3)	140.8	898.0	1,298.5	2,219.2	4,556.4
Tax related assets					260.7
Cash & cash equivalents					348.0
Capital expenditure	0.2	2.1	76.4	244.0	322.7
Average number of employees	2,628	24,776	22,889	226	50,520

(1) Central structure costs unallocated by service line.
(2) Including Global Consulting and Systems Integration and Global Managed Operations structures.
(3) Including assets reclassified as held for sale.

The segment information for the year ended 31 December 2006 is as follows:

(in EUR million)	Consulting(2)	Systems Integration(2)	Managed Operations(2)	Unallocated	Total Group
External revenue	405.7	2,242.6	2,748.6		5,396.9
Operating margin before allocation of corporate costs(1)	36.5	69.0	234.4	(93.2)	246.7
% margin	9.0%	3.1%	8.5%	-	4.6%
Carrying amount of segment assets	122.9	905.5	1,309.9	2,080.4	4,418.7
Tax related assets					304.7
Cash & cash equivalents					453.9
Capital expenditure	2.7	27.1	184.1	2.8	216.8
Average number of employees	2,734	24,325	21,834	190	49,083

(1) Central structure costs unallocated by service line.
(2) Including Global Consulting and Systems Integration and Global Managed Operations structures.

The segment information for the year ended 31 December 2005 is as follows:

(in EUR million)	Consulting (2)	Systems Integration (2)	Managed Operations (2)	Unallocated	Total Group
External revenue	449.4	2,253.8	2,755.7		5,458.9
Operating margin before allocation of corporate costs(1) (2)	66.5	139.4	275.8	(82.6)	399.1
% margin	14.8%	6.2%	10.0%	-	7.3%
Carrying amount of segment assets	134.3	905.5	1,158.9	2,243.6	4,442.4
Tax related assets					318.0
Cash & cash equivalents					533.5
Capital expenditure	2.2	27.1	199.0	1.8	230.1
Average number of employees	2,676	23,396	21,549	193	47,814

(1) Central structure costs unallocated by service line.
(2) Unallocated assets are mostly comprised of goodwill that are only allocated by geographical area.

External revenue by location of customers

(in EUR million)	France	United Kingdom	Netherlands	Other EMEA	Americas	Asia - Pacific	Total Group
12 months ended 31 December 2007	**1,495.3**	**1,131.3**	**1,106.8**	**1,773.3**	**201.5**	**147.2**	**5,855.4**
12 months ended 31 December 2006	1,461.4	1,100.1	1,069.8	1,353.7	272.9	139.0	5,396.9
12 months ended 31 December 2005	1,384.0	1,185.5	1,046.8	1,432.5	250.3	159.8	5,458.9

Note 4 - Personnel expenses

(in EUR million)	**12 months ended 31 December 2007**	**% revenue**	12 months ended 31 December 2006	% revenue	12 months ended 31 December 2005	% revenue
Wages and salaries (**)	(2,421.6)	41.4%	(2,288.5)	42.4%	(2,226.1)	40.8%
Social security charges	(696.5)	11.9%	(647.8)	12.0%	(614.8)	11.3%
Tax, training, profit-sharing	(60.8)	1.0%	(62.3)	1.2%	(63.5)	1.1%
Equity-based compensation (*)	(17.5)	0.3%	(23.2)	0.4%	(13.9)	0.2%
Net charge to provisions for staff expenses	13.7	-0.2%	(11.3)	0.2%		
Difference between pension contributions and net pension expense (***)	15.9	-0.3%	37.2	-0.7%	17.6	-0.3%
Total	**(3,166.9)**	**54.1%**	**(2,995.9)**	**55.5%**	**(2,900.7)**	**53.1%**

(*) 2005 has been restated to be in line with 2006 and 2007 equity-based compensation classification in personnel expenses compared to the classification in other operating income and expenses in 2005.
(**) Of which EUR 22.7 million for restructuring in 2007 compared to EUR 13.4 million in 2006.
(***) Difference between total cash contributions made to the pensions funds and the net pension expense under IAS 19

Equity-based compensation

The EUR 17.5 million charge for equity-based compensation is made of:

- EUR 8.6 million related to stock options granted in previous years;
- EUR 3.8 million related to the Management and Long-Term incentive plans implemented during the period; and,
- EUR 5.1 million related to the “Sprint” employee share purchase plan as described below.

Stock option

Over the period, the Group has only granted stock options on an exceptional basis for a total of 25,000 options. These grants represent a total expense of EUR 0.4 million, of which EUR 0.1 million in 2007.

Options are exercisable at a price equal to the average of the last 20 closing prices preceding the date of grant. The vesting period is gradual: options vest on successive portions over 3 years (since the 2005 stock options grant). Options expire if they remain unexercised after a period of 10 years from the date of grant. Options are forfeited if the employee leaves the Group before the options vest, other than in exceptional circumstances authorised by the Chairman of the Management Board. Details of share options outstanding at the end of the year were as follows:

	12 months ended 31 December 2007		12 months ended 31 December 2006		12 months ended 31 December 2005		12 months ended 31 December 2004	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at the beginning of the year	**6,445,741**	**61.3**	**6,145,432**	**61.1**	**5,650,931**	**61.1**	**4,508,930**	**62.2**
Granted during the year	25,000	40.4	1,217,140	59.1	1,200,400	50.0	1,586,875	54.1
Forfeited during the year	(108,319)	58.5	(126,688)	55.6	(232,016)	61.0	(154,219)	46.2
Exercised during the year	(135,750)	26.1	(286,743)	33.7	(425,211)	30.8	(68,621)	36.1
Expired during the year	(244,400)	57.3	(503,400)	70.3	(48,672)	52.8	(222,034)	52.2
Outstanding at the end of the year	**5,982,272**	**62.2**	**6,445,741**	**61.3**	**6,145,432**	**61.1**	**5,650,931**	**61.1**
Exercisable at the end of the year, below year-end stock price (*)	**442,969**	**25.9**	**699,899**	**28.8**	**548,770**	**29.5**	**254,954**	**29.5**

(*) Year-end stock price: EUR 35.35 at 31 December 2007, EUR 44.93 at 31 December 2006, EUR 55.65 at 31 December 2005.

The weighted average share price for stock options exercised during 2007 was EUR 26.1.

Options outstanding at the end of the year have a weighted average remaining contractual life of 5.6 years (2006 – 6.4 years).

Equity-based compensation has been determined based on the following hypothesis:

	29 March 2006		10 January 2005		9 February 2004	
	French plan	Foreign plan	French plan	Foreign plan	French plan	Foreign plan
Share price at grant date	60.95	60.95	51.8	51.8	56.4	56.4
Exercise price	59.99	59.99	49.7	49.7	54.1	54.1
Expected volatility	25.0%	25.0%	34.1%	34.1%	34.1%	34.1%
Expected life	60 months	48 months	60 months	48 months	60 months	35 months
Risk free rate	3.56%	3.42%	2.96%	2.78%	3.19%	3.02%
Expected dividend yield	0%	0%	0%	0%	0%	0%
Fair value of options granted	18.3	16.0	19.0	16.8	20.4	15.5

Expected volatility was determined based in 2006 on the implicit volatility of the Group's share price at the respective expected maturity dates of the underlying options, and no longer on the historical volatility of the Group's share, to provide a more realistic reference for the fair value of the options, as requested by IFRS 2. In the absence of liquid option markets on the Group's share, the implicit volatility has been derived from a quote obtained from a representative market maker. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of EUR 8.6 million in 2007 (2006: EUR 14.9 million). The 2007 expense comprises EUR 0.1 million relating to the 2007 plans and EUR 8.5 million relating to the plans granted in 2005 and 2006.

"Long-term Incentive" Plan

On 17 May 2007, the Group has set up a performance share plan called "Long-Term Incentive" plan. Under this plan, 168,658 shares were granted. The stock price at the grant date was EUR 43.98.

The aim of this plan is to motivate employees and to reinforce the group's capability to reach challenging financial targets, in line with Shareholder's value creation.

The vesting period is:

- 2 years followed by a lock-up period of 2 years; or
- 4 years and no lock-up period.

Vesting conditions are subject to:

- the achievement of Group financial objectives;
- the achievement of personal objectives;
- a presence of the beneficiary in the Group throughout the vesting period.

The number of shares obtained by the employees will vary in a 0 to 3 range depending on the level of performance reached.

The total costs for this plan represents the value of the compensation that would be received by the employees should the performance objectives be reached. It therefore corresponds to the market value of the free shares granted at the time of the plan, less the cost of the lock-up period and the effect of the employee turnover.

Accordingly, the Group has recognized a charge accounted for in the personnel expenses amounting to EUR 1.8 million in 2007. Annualized cost is EUR 2.9 million.

"Management Investment" Plan

On 18 June 2007, the Group has set up a free share plan, whereby free shares are granted upon the acquisition of an equivalent number of shares.

The aim of this plan is to promote employee ownership and retention.

Under this plan, 218,185 shares were granted. The stock price at grant date was EUR 45.64.

The vesting period is:

- 2 years followed by a lock-up period of 2 years; or,
- 4 years and no lock-up period.

Vesting conditions are subject to the presence of the beneficiary in the Group and investment in Atos Origin shares throughout the vesting period. The initial investment is subject to a 2 year lock-up period.

The total cost for this plan represents the value of the compensation that would be received by the employees should they remain within the Group throughout the vesting period. It therefore corresponds to the market value of the free shares granted at the time of the plan, less the cost of the lock-up period and the effect of the employee turnover. This cost is recognised gradually on a straight-line basis over the granting period (2 years or 4 years starting from 18 June 2007, depending on the plan elected by the employee).

Accordingly, the Group has recognized a charge accounted for in the personnel expenses amounting to EUR 2.0 million in 2007. Annualized cost is EUR 3.6 million.

Methodology used

In accordance with the specific guidance issued by the CNC *(Conseil National de la Comptabilité)*, the cost related to the MIP and LTI plans take into account the effect of the 2 years lock-up period restriction, whenever applicable, calculated based on the following parameters:

- Risk free interest rate: 4.47%
- Credit spread: 1.00%
- Borrowing-lending spread: 1.50%
- Employee turnover ratio: 4.00%

Employee Share Purchase Plan "Sprint"

Employee Share Purchase Plan "Sprint" was open to employees of almost all subsidiaries of the Group. The plan offers eligible employees two formulae:

- the Sprint Dynamic formula: purchase of shares at a 20% discount with a five-year lock-up period restriction. The initial investment is not protected;
- the Sprint Secure formula: the leveraged structure implemented with a bank allows the employee to receive after the five-year locked-up period the highest between his initial investment and ten times the average share price increase. The initial employee investment and this increase is guaranteed by the bank which benefits from the 20% discount on the 10 shares.

As a consequence of the "Sprint" plan, the Group issued 112,278 shares and 3,009 warrants to employees and 581,161 shares and 27,094 warrants to the bank in 2007 at a reference share price of 40.0765 euros. The related fair value of the compensation received by employees amounts to EUR 5.1 million.

In accordance with the specific guidance issued by the CNC *(Conseil National de la Comptabilité)*, the cost related to Sprint takes into account the effect of the 5 years lock-up period restriction calculated based on the following parameters:

- Risk free interest rate: 4.57%
- Credit spread: 1.00%
- Borrowing-lending spread: 1.5%

Leading to value the compensation received by employees to 22% of the share price.

Note 5 - Operating expenses

(in EUR million)	**12 months ended 31 December 2007**	**% revenue**	12 months ended 31 December 2006	% revenue	12 months ended 31 December 2005	% revenue
Purchase for selling and royalties	(241.7)	4.1%	(306.3)	5.7%	(336.1)	6.2%
Subcontracting costs	(747.6)	12.8%	(561.5)	10.4%	(599.8)	11.0%
Premises costs	(246.7)	4.2%	(223.0)	4.1%	(210.8)	3.9%
Means of production	(458.2)	7.8%	(397.3)	7.4%	(434.8)	7.9%
Telecommunications	(119.8)	2.0%	(114.4)	2.1%	(106.2)	1.9%
Travelling expenses	(141.0)	2.4%	(130.2)	2.4%	(123.8)	2.3%
Taxes, other than corporate income tax	(8.1)	0.1%	(30.6)	0.6%	(23.3)	0.4%
Other operating items	(208.4)	3.6%	(188.6)	3.5%	(220.7)	4.0%
Subtotal expenses	**(2,171.5)**	**37.1%**	**(1,951.9)**	**36.1%**	**(2,055.4)**	**37.6%**
Depreciation of fixed assets	(223.0)	3.8%	(176.3)	3.3%	(153.0)	2.8%
Net booked value of assets sold/ written off	(10.9)	0.2%	(2.2)	-	-	-
Net depreciation of current assets	(2.0)	-	(3.2)	0.1%	7.2	-0.1%
Net (charge)/release to provisions	(9.6)	0.2%	(20.7)	0.4%	42.1	-0.8%
Subtotal depreciation and provisions	**(245.5)**	**4.2%**	**(202.4)**	**3.9%**	**(103.7)**	**1.9%**
Total	**(2,417.0)**	**41.3%**	**(2,154.3)**	**40.0%**	**(2,159.1)**	**39.5%**

Note 6 - Other operating income and expenses

(in EUR million)	**12 months ended 31 December 2007**	12 months ended 31 December 2006	12 months ended 31 December 2005
Restructuring and rationalisation	(97.7)	(31.2)	(56.5)
Release of opening balance sheet provisions no longer needed	10.1	13.7	45.8
Capital gains and losses on disposal of assets	21.0	1.5	40.2
Impairment losses on long-term assets and other	(68.1)	(390.7)	(40.8)
Total	**(134.7)**	**(406.7)**	**(11.3)**

Restructuring and rationalisation

The reorganisation expenses are made of three principle natures: first the large rightsizing of the local operations for a total of EUR 31 million mainly completed in the United Kingdom and in Italy; secondly the restructuring and rationalisation costs associated with the 3O3 transformation plan for a total of EUR 57 million and finally restructuring in the Corporate organisation for a total of EUR 9 million.

As a result of the implementation of a new governance model, the Management Board has been tightened around Philippe Germond who has been appointed by the Supervisory Board as Group CEO and Chairman of the Management Board. Considering this decision from the Supervisory Board, both Bernard Bourigeaud, Group CEO and Dominique Illien, Member of the Management Board have expressed their intention to leave the Group.

This has been effective for Dominique Illien as of 1 June 2007 and for Bernard Bourigeaud as of 31 December 2007. As a consequence, a charge was booked for respectively EUR 2.8 million and EUR 6.9 million within the restructuring costs.

Release of opening balance sheet provisions no longer needed

The release of opening balance sheet provisions no longer needed mainly relates to positive settlement on tax related exposures provided for within SEMA opening balance sheet.

Capital gains and losses on disposal of assets

The net gain on disposal of assets is mainly composed of EUR 18 million gain on the sale of the Actis business in Germany, and of EUR 2.7 million gain on the disposal of Marben products in France.

Impairment losses on long-term assets and other

Out of the EUR 68 milllion impairment losses and other elements, the termination in July 2007 of the planned diagnostics services with the British Department of Health in the United Kingdom represented an impairment loss of EUR 37 million and an expense of EUR 10 million corresponding to committed spends for accommodations and softwares. Moreover, the disposal of Italy that was closed on 31 January 2008 created an impairment loss of EUR 10 million following its classification as assets held for sale.

Note 7 - Net financial income

Net cost of financial debt

(in EUR million)	**12 months ended 31 December 2007**	12 months ended 31 December 2006	12 months ended 31 December 2005
Net interest expenses	**(28.9)**	**(21.0)**	**(21.5)**
Interest on obligations under finance leases	(1.6)	(3.2)	(1.3)
Gain/(loss) on disposal of cash equivalents	2.4	4.4	3.6
Gain/(loss) on interest rate hedges of financial debt recycled from equity	(0.5)	(2.9)	(5.5)
Net cost of financial debt	**(28.6)**	**(22.7)**	**(24.7)**

The average net debt during the year 2007 was EUR 513.6 million. The average net cost of financial debt amounted to 5.48% before interests swaps and to 5.57% after interest swaps.

Other financial income and expenses

(in EUR million)	12 months ended 31 December 2007	12 months ended 31 December 2006	12 months ended 31 December 2005
Foreign exchange (expenses)/income	(3.5)	(4.1)	8.5
Fair value gain/(loss) on forward exchange contracts held for trading	0.1	(0.6)	(2.1)
Other financial (expenses)/income	17.9	16.8	(12.5)
Discounting financial expenses	0.1	(0.7)	(3.3)
Other financial income and expenses	**14.6**	**11.5**	**(9.4)**

The EUR 17.9 million of other financial income mainly relates to pensions for EUR 18.4 million, and represents the positive difference between the interests cost and the expected return on plan assets.

Note 8 - Income tax expenses

Current and deferred taxes

(in EUR million)	12 months ended 31 December 2007	12 months ended 31 December 2006	12 months ended 31 December 2005
Current taxes	(57.4)	(30.9)	(47.6)
Deferred taxes	(2.5)	(45.7)	(60.5)
Total	**(59.9)**	**(76.6)**	**(108.1)**

Effective tax rate

The difference between the French standard rate of tax and the effective tax rate is shown as follows:

(in EUR million)	12 months ended 31 December 2007	12 months ended 31 December 2006	12 months ended 31 December 2005
Net income before tax	122.8	(171.1)	353.7
French standard rate of tax	34.4%	34.4%	34.9%
Theoretical tax charge at French standard rate	(42.2)	58.9	(123.6)
Impact of permanent differences	(9.8)	(81.6)	(20.5)
Differences in foreign tax rates	29.5	3.7	26.0
Unrecognised tax assets	(14.9)	(46.1)	19.4
Other	(22.5)	(11.5)	(9.4)
Group tax charge	**(59.9)**	**(76.6)**	**(108.1)**
Effective tax rate	**48.8%**	**-44.8%**	**30.6%**

The Group effective tax rate is 48.8%. Permanent differences of EUR 9.8 million relate for EUR 3.4 million to the non deductible impairment on disposal of Italian subsidiary. Unrecognised tax assets variation of EUR 14.9 million mainly relates for EUR 2.9 million to the change in deferred tax asset recognition in the United Kingdom, for EUR 5.8 million to new unrecognised tax losses in the United Kingdom and for EUR 12.3 million to new unrecognised tax losses in Italy. The category "Other" mainly relates for EUR 15.8 million to nominal corporate tax rate changes in the United Kingdom and Germany.

The restated effective tax rate after restating the impairment on the disposal of the Italian subsidiary, the changes in deferred tax assets recognition in the United Kingdom and the changes in the nominal corporate tax rates in the United Kingdom and Germany is 37.5%.

Note 9 - Deferred taxes

Breakdown of deferred tax assets and liabilities by nature

(in EUR million)	Tax losses carry forward	Fixed assets	Pensions	Other	Total
At 31 December 2005	**46.4**	**34.9**	**116.4**	**47.3**	**245.0**
Charge to profit or loss for the year	(9.4)	5.5	(16.8)	(25.0)	(45.7)
Charge to goodwill					
Change of scope	0.6	1.3	(0.2)	0.1	1.8
Charge to equity			(3.5)	2.3	(1.2)
Reclassification	(0.1)	(1.1)	(1.4)	2.4	(0.2)
Exchange differences	0.3	0.8	1.6	0.7	3.4
At 31 December 2006	**37.8**	**41.4**	**96.1**	**27.8**	**203.1**
Charge to profit or loss for the year	5.3	10.5	(8.4)	(9.7)	(2.3)
Charge to goodwill					
Change of scope			0.1	(1.7)	(1.6)
Charge to equity		(0.2)	(0.4)	0.1	(0.5)
Reclassification				(0.1)	(0.1)
Exchange differences	(0.6)	(3.6)	(5.3)	(4.8)	(14.3)
Subtotal	**42.5**	**48.1**	**82.1**	**11.6**	**184.3**
Asset held for sale	**(0.3)**	**(6.4)**	**(0.8)**	**1.7**	**(5.8)**
At 31 December 2007	**42.2**	**41.7**	**81.3**	**13.3**	**178.5**

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
Deferred tax assets	260.6	258.0	265.6
Reclassified as held for sale	(13.6)		
Total deferred tax assets excluding held for sale activities	**247.0**	**258.0**	**265.6**
Deferred tax liabilities	(76.3)	(54.9)	(20.6)
Reclassified as held for sale	7.8		
Total deferred tax liabilities excluding held for sale activities	**(68.5)**	**(54.9)**	**(20.6)**

The increase of deferred tax liabilities by EUR 21.6 million is primarily due to a net increase of EUR 12 million in The Netherlands, caused by utilisation of tax losses in The Netherlands for which related deferred tax assets has been netted against deferred tax liabilities in same fiscal entity.

Tax losses carry forward schedule

(in EUR million)	**12 months ended 31 December 2007**			12 months ended 31 December 2006			12 months ended 31 December 2005		
	Recognised	**Unrecognised**	**Total**	Recognised	Unrecognised	Total	Recognised	Unrecognised	Total
2006							0.7	6.0	6.7
2007				1.8		1.8		9.9	9.9
2008		2.2	2.2	0.1	3.7	3.8	2.6	24.9	27.5
2009		4.6	4.6		8.3	8.3	11.1	66.3	77.4
2010		5.1	5.1		13.8	13.8			
2011		99.9	99.9	0.2	95.7	95.9			
2012	3.9	43.7	47.6						
Tax losses available for carry forward more than 5 years	13.7	119.8	133.5	17.2	127.1	144.3	13.2	127.0	140.2
Ordinary tax losses carry forward	**17.6**	**275.3**	**292.9**	**19.3**	**248.6**	**267.9**	**27.6**	**234.1**	**261.7**
Evergreen tax losses carry forward	**112.5**	**317.1**	**429.6**	**114.6**	**223.9**	**338.5**	**115.3**	**206.2**	**321.5**
Total tax losses carry forward	**130.1**	**592.4**	**722.5**	**133.9**	**472.4**	**606.3**	**142.9**	**440.3**	**583.2**

Compared to 2006, total tax losses carried forward have increased by EUR 116.1 million. The increase is explained by the creation of tax losses over the period (EUR 186 million), partly offset by the losses used in 2007 (EUR 46 million), the impact of exchange differences (EUR 25 million) and the positive impact of other entries (EUR 1 million).

The countries with the largest tax losses available for carry forward are the United Kingdom (EUR 169 million), Italy (EUR 139 million), the United States (EUR 110 million), France (EUR 87 million), Asia - Pacific (EUR 60 million), Brazil (EUR 45 million) and Germany (EUR 37 million).

Deferred tax assets not recognised by the Group

(in EUR million)	**12 months ended 31 December 2007**	12 months ended 31 December 2006	12 months ended 31 December 2005
Tax losses carry forward	184.8	149.9	139.7
Temporary differences	49.7	76.1	53.4
Total	**234.5**	**226.0**	**193.1**

Note 10 - Minority interests

(in EUR million)	31 December 2006	2007 Income	Others	**31 December 2007**
Atos Euronext Market Solutions	156.0	12.1	(5.1)	163.0
Atos Worldline Processing GmbH	3.8	1.8	-	5.7
Others	5.7	0.9	(2.4)	4.2
Total	**165.5**	**14.8**	**(7.5)**	**172.9**

(in EUR million)	31 December 2005	2006 Income	Others	31 December 2006
Atos Euronext Market Solutions	142.7	12.4	0.9	156.0
Atos Worldline Processing GmbH	4.2	2.2	(2.6)	3.8
Others	6.3	2.1	(2.7)	5.7
Total	**153.2**	**16.7**	**(4.4)**	**165.5**

Note 11 - Earnings per share

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation. The average number of stock options not exercised in 2007 amounted to 6,280,929 shares, out of which 194,921 have a dilutive effect on earnings per share.

(in EUR million and shares)	**31 December 2007**	31 December 2006	31 December 2005
Net income – Group share [a]	**48.2**	**(264.4)**	**235.4**
Weighted average number of shares outstanding [b]	68,946,489	67,614,323	67,169,757
Impact of dilutive instruments [c]	194,921		466,857
Diluted weighted average number of shares [d]=[c]+[b]	69,141,410	67,614,323	67,636,614
Earnings per share in EUR [a]/[b]	**0.70**	**(3.91)**	**3.50**
Diluted earnings per share in EUR [a]/[d]	0.70	(3.91)	3.48

Note 12 - Goodwill

(in EUR million)	31 December 2006	Acquisitions/ Depreciations	Reclassified as held for sale	Others	Exchange rate fluctuations	**31 December 2007**
Gross value	2,466.3	3.0	(198.6)	(2.2)	(72.4)	2,196.1
Impairment loss	(420.7)	-	70.4	-	22.0	(328.3)
Carrying amount	**2,045.6**	**3.0**	**(128.2)**	**(2.2)**	**(50.4)**	**1,867.8**

(in EUR million)	31 December 2005	Acquisitions/ Depreciations	Disposals	Others	Exchange rate fluctuations	31 December 2006
Gross value	2,218.4	246.4	(1.9)	(2.5)	5.9	2,466.3
Impairment loss	(46.0)	(370.4)	-	-	(4.3)	(420.7)
Carrying amount	**2,172.4**	**(124.0)**	**(1.9)**	**(2.5)**	**1.6**	**2,045.6**

Goodwill is allocated to the Group's cash generating units (CGUs) by geographical segment. A summary of the carrying amounts of goodwill allocated by geographical segment corresponding to CGUs or grouping of CGUs is presented hereafter.

The increase of the gross value of the goodwill is mainly related to the acquisition of Uni-Medecine for EUR 2.5 million. The remaining EUR 0.5 come from the finalisation of the Banksys opening balance sheet within the twelve month window period ending December 2007.

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
France	534.8	648.5	538.1
United Kingdom	522.2	566.2	852.6
Netherlands	298.5	298.5	299.5
Germany & Central Europe	117.6	117.6	117.6
Other European countries and Africa	284.5	296.9	232.5
Americas	24.6	24.1	27.1
Asia - Pacific	85.6	93.8	105.0
Total	**1,867.8**	**2,045.6**	**2,172.4**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. In line with IAS 36, the financial business plans of the CGUs are both taking into consideration the effect of the 3O3 transformation plan and of restructuring programs incepted in 2007. Cash flows beyond the three-year period are extrapolated using an estimated perpetuity growth rate of 3.0% (as in 2006) consistent with forecasts included in industry analyst reports.

Key assumptions for value-in-use calculations are:

	Discount rate	Corresponding pre-tax discount rate
France	9.6%	Between 12.3% and 12.7%
United Kingdom	9.4%	12.2%
Netherlands	9.8%	12.4%
Germany & Central Europe	9.7%	11.9%
Other European countries and Africa	Between 9.6% and 9.8%	Between 12.4% and 14.8%
Americas	9.6%	Between 12.4% and 12.9%
Asia - Pacific	10.0%	11.8%

Pre-tax discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and business mix relating to each geographical area.

The Group has conducted a sensitivity analysis on the key assumptions used, mainly the discount rates and the perpetuity growth. A 0.5 pt variation of these two assumptions would lead to a change in the Group's value in use by respectively EUR 357 million and EUR 318 million. An individual increase in these assumptions by 0.5 pt would not trigger a need for impairment, although confirming the sensitive CGUs that need to be carefully followed-up.

Note 13 - Intangible assets

Intangible assets mainly comprise software representing a net value of EUR 66.5 million (EUR 34.1 million after reclassification of assets held for sale) at 31 December 2007 against EUR 66.6 million at 31 December 2006.

(in EUR million)	Gross value	Amortisation	Net value
31 December 2005	**265.4**	**(190.5)**	**74.9**
Additions/charges	33.0	(31.5)	1.5
Disposals/reversals	(3.9)	3.1	(0.8)
Impact of business combinations	38.0	(0.2)	37.8
Disposals of subsidiaries	(5.1)	2.4	(2.7)
Exchange differences	1.7	(0.9)	0.8
Reclassified as held for sale			
Others	36.2	(29.4)	6.8
31 December 2006	**365.3**	**(247.0)**	**118.3**
Additions/charges	44.2	(39.5)	4.7
Disposals/reversals	(38.1)	32.3	(5.8)
Impact of business combinations	0.2	(0.2)	(0.0)
Disposals of subsidiaries	(0.5)	0.4	(0.2)
Exchange differences	(11.7)	8.0	(3.7)
Impairment		(0.5)	(0.5)
Reclassified as held for sale	(110.1)	71.5	(38.6)
Others	(7.1)	7.8	0.7
31 December 2007	**242.1**	**(167.3)**	**74.9**

Note 14 - Tangible assets

(in EUR million)	Land and buildings	IT equipment	Other assets	Total
Gross value				
At 1 January 2007	**261.6**	**813.7**	**85.6**	**1,160.9**
Additions	45.5	216.6	22.3	284.3
Disposals	(21.2)	(82.1)	(6.7)	(110.0)
Impact of business combinations	0.0	0.1	0.0	0.1
Disposal of subsidiaries	(2.2)	(1.0)	(0.5)	(3.6)
Exchange differences	(5.7)	(17.7)	(1.0)	(24.5)
Reclassified as held for sale	(16.9)	(151.7)	(5.0)	(173.6)
Others	5.4	22.7	(17.6)	10.4
At 31 December 2007	**266.5**	**800.5**	**77.0**	**1,144.0**
Accumulated depreciation				
At 1 January 2007	**(124.2)**	**(604.9)**	**(49.4)**	**(778.5)**
Depreciation charge for the year	(26.3)	(138.6)	(9.7)	(174.7)
Eliminated on disposal	13.5	64.5	4.7	82.7
On assets reclassified as held for sale	10.1	134.6	3.5	148.2
Exchange differences	2.8	12.4	0.3	15.5
Disposal of subsidiaries	0.2	0.7	0.4	1.3
Impairment	(0.1)	(4.1)	(0.2)	(4.3)
Others	(5.0)	(5.3)	13.2	2.9
At 31 December 2007	**(129.0)**	**(540.7)**	**(37.2)**	**(706.9)**
Net value				
At 1 January 2007	**137.4**	**208.8**	**36.2**	**382.4**
At 31 December 2007	**137.4**	**259.8**	**39.8**	**437.0**

(in EUR million)	Land and buildings	IT equipment	Other assets	Total
Gross value				
At 1 January 2006	**203.8**	**695.3**	**90.7**	**989.7**
Additions	40.2	122.0	21.3	183.5
Disposals	(4.9)	(42.8)	(1.7)	(49.4)
Impact of business combinations	19.8	18.0	1.8	39.6
Disposal of subsidiaries				
Exchange differences	0.3	(6.4)	(1.0)	(7.1)
Others	2.4	27.7	(25.5)	4.6
At 31 December 2006	**261.6**	**813.7**	**85.6**	**1,160.9**
Accumulated depreciation				
At 1 January 2006	**(106.1)**	**(504.7)**	**(55.6)**	**(666.2)**
Depreciation charge for the year	(22.1)	(119.4)	(11.0)	(152.6)
Eliminated on disposal	3.6	41.8	1.4	46.7
Exchange differences		5.0	0.5	5.5
Disposal of subsidiaries				
Others	0.4	(27.6)	15.4	(11.9)
At 31 December 2006	**(124.2)**	**(604.9)**	**(49.4)**	**(778.5)**
Net value				
At 1 January 2006	**97.7**	**190.7**	**35.1**	**323.5**
At 31 December 2006	**137.4**	**208.8**	**36.2**	**382.4**

Finance leases

Tangible assets held under finance leases had a net carrying value of EUR 21.3 million. Future minimum lease payments under non-cancellable leases amounted to EUR 24.4 million at year-end.

	2007			2006			2005
(in EUR million)	**Minimum lease payments**	**Interest**	**Principal**	Minimum lease payments	Interest	Principal	Principal
Less than one year	11.2	(0.9)	10.3	24.9	(1.9)	23.0	27.1
Between one and five years	13.2	(0.5)	12.7	20.5	(1.1)	19.4	32.7
More than five years							0.1
Total	**24.4**	**(1.4)**	**23.0**	**45.4**	**(3.0)**	**42.4**	**59.9**

Note 15 - Non-current financial assets

Non-current financial assets of EUR 70.9 million included mainly investments in associates accounted for under the equity method for EUR 1.4 million, non-consolidated investments amounting to EUR 0.7 million, pension prepayments of EUR 38.1 million, loans, deposits and guarantees (primarily linked to property rentals) of EUR 30.4 million, and non-current financial investments for EUR 0.3 million.

Note 16 - Trade accounts and notes receivable

(in EUR million)	**31 December 2007 before reclassification**	Reclassification as held for sale	31 December 2007	31 December 2006
Gross value	1,703.8	(239.5)	1,464.3	1,612.6
Transition costs	19.1	(0.4)	18.7	22.9
Provision for doubtful debts (*)	(39.7)	16.5	(23.2)	(35.6)
Net asset value	**1,683.2**	**(223.4)**	**1,459.8**	**1,599.9**
Prepayments	(7.6)	0.5	(7.1)	(21.0)
Deferred income and amounts due to customers	(334.4)	20.9	(313.5)	(271.5)
Net accounts receivable	**1,341.2**	**(202.0)**	**1,139.2**	**1,307.4**
Number of days' sales outstanding	**67**		**67**	**68**

(*) Of which EUR 3.9 million impairment of Atos Origin Italy in 2007.

The average credit period on sale of services is between 20 and 60 days depending on the countries. Beyond this period an interest equal to 1.5 times the legal interest rate might be charged to outstanding balances based on contract terms.

For outstanding balances over 60 days delays in payment terms, the Group is considering on a case by case basis through a quarterly review of its balances the need for an impairment loss.

In 2004, the Group has entered a securitisation program for a maximum amount of EUR 300 million. As of 31 December 2007, the Group has sold EUR 300 million receivables for which EUR 184.6 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet.

Ageing of past due but not impaired

(in EUR million)	**31 December 2007**	31 December 2006
0-30 days overdues	129.3	138.8
30-60 days overdues	35.3	51.6
Beyond 60 days overdues	55.0	59.0
Reclassified as held for sale	41.1	-
Total	**260.7**	**249.4**

Movement in the allowance for doubtful debts

(in EUR million)	31 December 2007	31 December 2006
Balance at beginning of the year	(35.6)	(33.9)
Impairment losses recognised	(20.2)	(6.7)
Amounts written off as uncollectible	8.3	2.3
Impairment losses reversed	6.1	7.4
Others (*)	1.7	(4.7)
Reclassified as held for sale	16.5	-
Balance at end of year	**(23.2)**	**(35.6)**

(*) Scope variation, reclassification and exchange difference.

Note 17 - Breakdown of assets by financial categories

As of 31 December 2007, the analysis was the following:

(in EUR million)	Loans, deposits, trade accounts and other receivables	Financial instrument – P&L measurement	Financial instrument – Equity measurement
Non-current financial assets	74.2	-	0.3
Trade accounts and notes receivables	1,683.2	-	-
Other current assets	202.2	-	-
Current financial instruments	-	1.1	-
Subtotal	**1,959.6**	**1.1**	**0.3**
Reclassified as held for sale	(254.0)	-	-
Total	**1,705.6**	**1.1**	**0.3**

As of 31 December 2006, the analysis was the following:

(in EUR million)	Loans, deposits, trade accounts and other receivables	Financial instrument – P&L measurement	Financial instrument – Equity measurement
Non-current financial assets	45.0	-	-
Trade accounts and notes receivables	1,599.9	-	-
Other current assets	226.3	-	-
Current financial instruments	-	0.5	0.7
Total	**1,871.2**	**0.5**	**0.7**

Note 18 - Cash and cash equivalents

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
Cash in hand and short-term bank deposit	331.5	441.5	530.8
Money Market funds	16.5	12.4	2.7
Total	**348.0**	**453.9**	**533.5**

Depending on market conditions and short-term cash flow expectations, Atos Origin from time-to-time invests in Money Market funds with a maturity period not exceeding three months.

Note 19 - Pensions

The total amount recognised in the Group balance sheet in respect of pension plans and associated benefits was EUR 387.2 million at 31 December 2007.

The Group's commitments are located predominantly in the United Kingdom (56% of Group total obligations), The Netherlands (34%), France (3%) and Germany (3%). These commitments are mostly generated by hybrid pension plans, which are both defined contribution and defined benefit in nature. Only the defined benefit component gives rise to a valuation of long term commitments for the Group, after deduction of applicable limitations and ceilings which have been introduced in the majority of these plans. These plans are externally funded through separate legal entities, which receive employer and employee contributions.

Actuarial methods used to determine Group contribution obligations in respect of these plans differ from the "projected unit credit method" used for the valuation of accounting costs and commitments. In particular, contribution schedules and solvency rules applicable to Group pension funds usually rely on vested benefit approaches rather than projected benefit methods and, in certain instances, allow for an anticipation of future financial returns which cannot be reflected in accounting numbers. The funding of benefit entitlements accumulated by beneficiaries in the various schemes is spread over their expected active careers. The average benefit payment maturity is estimated to be between 19 and 25 years for the most significant plans of the Group.

The net funding deficit of the benefit plans shown in the table below (the difference between the value of benefit obligations and related plan assets at closing) does not therefore represent a short-term payable obligation.

Group commitments are also generated, but to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. Group commitments in respect of post-employment healthcare benefits are not significant (less than 2% of total Group pension obligations).

The amounts recognised in the balance sheet as at 31 December 2007 relies on the following components, determined at each benefit plan's level:

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
Amounts recognised in financial statements consist of:			
Prepaid pension asset – post-employment plans	38.1	12.2	5.5
Accrued liability – post-employment plans	(405.9)	(438.5)	(462.8)
Accrued liability – other long-term benefits	(19.4)	(20.1)	(26.4)
Net amount recognised – Total	**(387.2)**	**(446.4)**	**(483.7)**
Of which, Reclassified as held for sale	(30.8)	-	-
Components of net periodic cost			
Service cost (net of employees' contributions)	58.2	60.5	74.5
Interest Cost	119.1	109.1	97.9
Expected return on plan assets	(137.5)	(123.2)	(105.4)
Amortisation of prior service cost	1.6	(12.4)	1.5
Amortisation of actuarial (gain)/loss	(5.3)	1.0	(0.5)
Effect of asset ceiling		-	0.5
Curtailment (gain)/loss	(2.1)	(0.5)	(21.0)
Settlement (gain)/loss		0.2	(15.6)
Net periodic cost – Other long term benefits	-	-	3.8
Net periodic pension cost – Total	**34.0**	**34.7**	**35.7**
Of which, net periodic pension cost – post-employment plans	31.7	33.2	31.9
Of which, net periodic pension cost – other long term benefits	2.3	1.5	3.8
Change in defined benefit obligation			
Defined benefit obligation at 1 January	2,469.8	2,355.1	2,021.5
Funded Status – other long term benefits at 1 January	20.1	15.0	-
Reclassification other non-current financial liabilities	-	11.4	-
Reclassification other current liabilities	12.5	-	-
Exchange rate impact	(106.2)	28.5	30.4
Service cost (net of employees' contributions)	58.2	60.5	74.5
Interest cost	119.1	109.1	97.9
Employees' contributions	24.6	22.6	18.1
Plan amendments	5.0	(12.3)	0.7
Curtailment	(3.4)	(0.5)	(22.1)
Settlement	(5.5)	(1.9)	(15.6)
Business combinations/disposals	8.5	25.5	(52.5)
Special termination benefits	-	(0.1)	-
Benefits paid	(62.7)	(60.5)	(38.7)
Actuarial (gains)/losses	(281.4)	(62.5)	240.9
Defined benefit obligation at 31 December	**2,258.6**	**2,489.9**	**2,355.1**
Experience adjustments generated in current year on DBO	**(10.9)**	**71.7**	**(37.7)**
Change in plan assets			
Fair value of plan assets at 1 January	1,992.8	1,739.0	1,432.7
Exchange rate impact	(90.8)	22.1	23.6
Actual return on plan assets	67.7	169.1	278.4
Employer contributions	71.6	67.2	61.8
Employees' contributions	24.6	22.6	18.1
Benefits paid by the fund	(48.8)	(45.3)	(31.7)
Business combinations/disposals	2.8	18.1	(43.9)
Fair value of plan assets at 31 December	**2,019.9**	**1,992.8**	**1,739.0**

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
Reconciliation of prepaid/(accrued) Benefit cost (all plans)			
Funded status – post-employment plans	(219.6)	(476.9)	(616.1)
Funded status – other long term benefit plans	(19.1)	(20.1)	(26.4)
Unrecognised actuarial (gain)/loss	(159.9)	42.4	150.8
Unrecognised past service cost	11.4	8.2	8.5
Any other amount not recognised (asset ceiling limitation, ...)			(0.5)
Prepaid/(accrued) pension cost – post employment plans	**(387.2)**	**(446.4)**	**(483.7)**
Of which provision for pension and similar benefits	*(425.3)*	*(458.6)*	*(477.8)*
Non-current financial assets	*38.1*	*12.2*	*5.5*
Other non current financial liability			*(11.4)*
Reconciliation of net amount recognised (all plans)			
Net amount recognised at beginning of year	**(446.4)**	**(483.7)**	**(522.2)**
Reclassification other current liabilities	(12.5)		
Net periodic pension cost – post-employment plans	(31.7)	(33.2)	(31.9)
Benefits paid by employer – post-employment plans	15.2	17.0	7.0
Employer contributions for – post-employment plans	71.6	67.2	61.8
Business combinations/disposals	(5.7)	(7.4)	8.6
Other (other long-term benefit, exchange rate)	22.3	(6.3)	(7.0)
Net amount recognised at end of year	**(387.2)**	**(446.4)**	**(483.7)**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were EUR 2,103.1 million at 31 December 2007 and EUR 2,296.1 million at 31 December 2006, representing more than 92% of Group total obligations. The accounting position in respect of three of these funded plans is a net asset (a "prepaid pension cost" asset) due to favourable evolutions of assets and liabilities over the recent periods, which shall later result in reduced contributions or refunds for the Group.

Plan assets, which do not include Atos Origin securities or any assets used by the Group, were invested at 31 December 2007 as follows:

	31 December 2007	31 December 2006	31 December 2005
Equity	52%	60%	61%
Bonds	30%	30%	32%
Other	18%	10%	7%

On 21 December 2007, Atos Origin signed a memorandum of understanding with the Trustees of two of its five defined benefit pension schemes in the United Kingdom, totalling more than two thirds of its local benefit obligations. Upon the principles set out in these memoranda taking effect by means of future formal amendment to the rules of the respective pension schemes, defined benefit accrual shall cease on 1 April 2008 and will be replaced by defined contribution pension arrangements for the employees concerned. These future plan amendments will reduce Atos Origin's defined benefit obligations under IAS 19. Expected impact is estimated between GBP 54 and 57 million, subject to market conditions prevailing at the date of effective amendment of the respective plans. As part of its agreement with the two sets of Trustees, the Group also accepted to accelerate the funding of past deficits, ahead of its statutory obligations, by contributing a total of GBP 51 million into the two pension funds in the first half of 2008. For these reasons, Atos Origin will recognise the related financial impacts, and in particular the reduction of defined benefit obligations through its profit and loss account, in 2008.

Further to the above indicated exceptional funding of past deficits by GBP 51 million, regular contributions expected to be paid in respect of the Group's main benefits plans in 2008 amount to EUR 24 million in respect of Dutch benefit schemes and EUR 27 million in respect of pension plans in the United Kingdom.

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom			Euro zone		
	31 December 2007	31 December 2006	31 December 2005	**31 December 2007**	31 December 2006	31 December 2005
Discount rate	5.75%	5.00%	4.75%	5.55%	4.55%	4.0%
Long-term expected return on plan assets	5.75%-6.25%	7.0%	7.0%	7.0%	7.0%	7.0%
Salary increase assumption	3.25%	2.75%-3.25%	2.75%-3.25%	1.9% -3.0%	1.9%-3.0%	1.9%-3.0%

The expected long-term investment return assumption on plan assets has been determined based on the particular asset allocation of each benefit plan, through the formulation of a specific expected return assumption for each asset class.

The net impact of defined benefits plans on Group financial statements can be summarized as follows:

Profit and loss

	31 December 2007			31 December 2006			31 December 2005		
(in EUR million)	**Post-employment**	**Other LT benefit**	**Total**	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	(50.7)	(1.4)	(52.1)	(43.2)	(0.9)	(44.1)	(52.2)	(1.8)	(54.0)
Other operating items	(0.3)	-	(0.3)	(4.6)	-	(4.6)	12.8	-	12.8
Financial result	19.3	(0.9)	18.4	14.6	(0.6)	14.0	7.5	(2.0)	5.5
Total Income statement	**(31.7)**	**(2.3)**	**(34.0)**	**(33.2)**	**(1.5)**	**(34.7)**	**(31.9)**	**(3.8)**	**(35.7)**

Cash impact

The cash impact of pensions is mainly composed of cash contributions to the pension funds for EUR 71.6 million, the remaining part being benefit payments directly made by the Group to the beneficiaries.

The cash contributions to the pension funds are made of ongoing contributions in respect of services rendered in the year (usually expressed as a percentage of salary), as well as past deficits repayment contributions spread over 10 to 15 years period as agreed with the respective trustees (fixed yearly amount). Deficits repayment contributions schedules are updated every 3 years mostly depending on market conditions.

	31 December 2007	31 December 2006	31 December 2005
Ongoing contributions	*56.8*	*53.4*	*51.1*
Deficits repayment	*14.8*	*13.8*	*10.7*
Total contributions	**71.6**	**67.2**	**61.8**
Direct Benefit payments	*13.7*	*15.2*	*7.0*
Cash compensation received	*(5.7)*		
Net OMDA impact	**79.6**	**82.4**	**68.8**
Direct benefit payments	*7.6*	*1.8*	
Total cash impact in other operating items	7.6	1.8	
Total Cash impact	**87.2**	**84.2**	**68.8**

The pension cash impact in other operating items corresponds to pension payments made in relation with reorganisation actions, mainly in Italy.

Note 20 - Provisions

(in EUR million)	31 December 2006	**Charge**	**Release used**	**Release unused**	**Other[a]**	**31 December 2007**	Current	Non-current
Reorganisations	39.2	92.8	(67.0)	(14.1)	5.3	56.2	56.2	
Rationalisations	33.6	7.1	(7.9)	(4.4)	(2.4)	26.0	5.1	20.9
Project commitments	81.1	33.5	(26.2)	(10.7)	(5.4)	72.3	72.3	
Litigations and contingencies	110.1	23.2	(12.1)	(23.9)	(7.2)	90.1		90.1
Total provisions	**264.0**	**156.6**	**(113.2)**	**(53.1)**	**(9.7)**	**244.6**	**133.6**	**111.0**
Reclassified as held for sale						(18.1)	(8.4)	(9.7)
Total excluding held for sale activities						**226.5**	**125.2**	**101.3**

(a) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.

(in EUR million)	31 December 2005	Charge	Release used	Release unused	Other[(a)]	31 December 2006	Current	Non-current
Reorganisations	30.7	51.0	(41.0)	(2.4)	0.9	39.2	39.2	-
Rationalisations	44.2	2.4	(9.2)	(2.7)	(1.1)	33.6	11.8	21.8
Project commitments	65.8	39.2	(19.4)	(6.2)	1.7	81.1	81.1	-
Litigations and contingencies	111.6	23.2	(9.4)	(22.3)	6.9	110.1	-	110.1
Total provisions	**252.4**	**115.8**	**(79.0)**	**(33.6)**	**8.4**	**264.0**	**132.1**	**131.9**

(a) Other movements mainly consist of the currency translation adjustments and impacts of changes in scope of consolidation.

Reorganisations and rationalisations

The increase of the reorganisation provisions is the outcome of the cash settlement of most of the opening situations, partially compensated by the accrual of new provisions over the year. Out of the EUR 92.8 million charge to reorganisation provisions, EUR 4.4 million have been booked through the Operating margin. The remaining EUR 88.4 million were booked through the "Other operating income and expenses", because either linked to reorganisations resulting from acquisitions, or to the recovery plans in France, in the United Kingdom and in Italy.

Rationalisation provisions include provisions in connection with properties leased some of which contain dilapidation clauses requiring the Group to return premises to their original condition at termination.

Project commitments

Following a significant increase of its projects commitments in 2006, the Group, through a stronger control of the delivery of its projects, sees its commitments partially coming back to the level of previous years.

Litigations and contingencies

Contingency provisions of EUR 90.1 million include a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers. The legal department continues to manage these situations with a view to minimising the ultimate liability.

Note 21 - Borrowings

	31 December 2007			31 December 2006			31 December 2005		
(in EUR million)	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Finance leases	(10.3)	(12.7)	(23.0)	(23.0)	(19.4)	(42.4)	(27.1)	(32.8)	(59.9)
Bank loans	(5.2)	(409.9)	(415.1)	(3.8)	(550.6)	(554.4)	(5.6)	(450.5)	(456.1)
Securitisation	(184.7)	-	(184.7)	(160.8)	-	(160.8)	(140.7)	-	(140.7)
Other borrowings	(42.1)	(21.2)	(63.2)	(37.4)	(19.2)	(56.6)	(28.0)	(22.8)	(50.8)
Total borrowings	**(242.3)**	**(443.7)**	**(686.0)**	**(225.0)**	**(589.2)**	**(814.2)**	**(201.4)**	**(506.2)**	**(707.6)**

The multi-currency revolving facility and the Securitisation Programme are subject to the same financial covenants as follows:

Nature of ratios subject to covenants	Covenants	Group ratios at 31 December 2007	Group ratios at 31 December 2006
Leverage ratio (Net debt/OMDA)	not greater than 2.5	0.67	0.81
Interest cover ratio (Operating margin/net cost of financial debt)	not lower than 4.0	9.5	10.9

OMDA: Operating margin before non cash items.

Non-current borrowings maturity

(in EUR million)	2008	2009	2010	2011	2012	>2012	Total
Finance leases		(9.9)	(2.8)	(0.0)	(0.0)	(0.0)	(12.7)
Bank loans		(0.4)	(0.4)	(0.4)	(408.0)	(0.6)	(409.8)
Other borrowings		(5.2)	(3.5)	(5.9)	(6.5)	(0.0)	(21.1)
As at 31 December 2007 long-term debt		**(15.5)**	**(6.7)**	**(6.3)**	**(414.5)**	**(0.6)**	**(443.7)**
As at 31 December 2006 long-term debt	(16.2)	(9.4)	(5.9)	(556.6)	(1.1)		(589.2)

(in EUR million)	2007	2008	2009	2010	2011	>2011	Total
Finance leases		(12.8)	(4.5)	(2.1)	(0.0)	(0.0)	(19.4)
Bank loans		0.3	0.6	(0.1)	(550.3)	(1.1)	(550.6)
Other borrowings		(3.7)	(5.5)	(3.7)	(6.3)	(0.0)	(19.2)
As at 31 December 2006 long-term debt		**(16.2)**	**(9.4)**	**(5.9)**	**(556.6)**	**(1.1)**	**(589.2)**
As at 31 December 2005 long-term debt	(29.7)	(18.0)	(11.2)	(446.5)	(0.8)		(506.2)

Borrowings in currencies

The carrying amounts of the Group's borrowings were denominated in the following currencies:

(in EUR million)	EUR	Other currency	Total
31 December 2007	**(681.2)**	**(4.8)**	**(686.0)**
31 December 2006	(810.3)	(3.9)	(814.2)
31 December 2005	(687.7)	(19.9)	(707.6)

Fair value and effective interest rate of financial debt

The fair value of bank loans, which are primarily composed of variable interest rate loans, are considered as being the same as their carrying value.

For other elements of borrowings, carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value not being material.

The effective interest rates in 2007 were as follows:

(in EUR million)	Carrying value	**Fair Value**	**Effective interest rate**
Finance leases	(23.0)	(23.0)	6.0%
Bank loans	(415.1)	(415.1)	4.63%
Securitisation	(184.7)	(184.7)	4.26%
Other borrowings	(63.2)	(63.2)	
Total borrowings (*)	**(686.0)**	**(686.0)**	**4.57%**

(*) Before effect of hedging transactions.

Change in net debt over the period

(in EUR million)	Notes (*)	12 months ended 31 December 2007	12 months ended 31 December 2006	12 months ended 31 December 2005
Opening net debt		**(360.3)**	**(180.5)**	**(491.6)**
New borrowings	n	(30.5)	(225.2)	(665.6)
Repayment of long and medium-term borrowings	o	162.5	141.2	979.6
Increase/(decrease) in cash and cash equivalents	q	(99.2)	(68.9)	42.5
Lease (change and net interest paid)	r	0.0	(4.5)	(56.6)
Long and medium-term debt of companies purchased during the period	s	(0.6)	(25.2)	(1.5)
Long and medium-term debt of companies sold during the period	t	0.1	4.3	
Debt – related reclassifications	x		17.8	
Impact of exchange rate fluctuations on net long and medium-term debt	u	(1.6)	(11.6)	29.8
Profit-sharing amounts payable to French employees transferred to debt	v	(8.4)	(7.7)	(6.1)
Impact of the first application of IAS 32 and 39	w			(11.0)
Closing net debt		**(338.0)**	**(360.3)**	**(180.5)**

(*) For reconciliation to the consolidated cash flow statement

Note 22 - Fair value and characteristics of financial instruments

	31 December 2007		31 December 2006		1 January 2006	
(in EUR million)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	1.1	(1.3)	1.2	(1.9)	0.9	(6.2)
Interest rate swaps	0.3			(1.2)		(6.4)
Analysed as:						
Non-current	0.3			(1.2)		(6.4)
Current	1.1	(1.3)	1.2	(1.9)	0.9	(6.2)

The fair value of financial instruments is provided by banking counterparties.

Interest rate risk

Bank loans of EUR 415.1 million (2006: EUR 554.4 million) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group mitigates its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting. After the effect of this hedge, the bank loans interest rate in 2007 was 4.64%.

The fair value of these swaps at 31 December 2007 was EUR 0.3 million.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately EUR (165) million at 31 December 2007. A 1% rise in 3-month Euribor would impact positively the financial expense by EUR 1.7 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the loan.

	Exposure		
(in EUR million)	Less than 1 year	1 - 5 Years	**Total**
Bank loans	(5.2)	(409.9)	(415.1)
Securitisation programme	(184.7)		(184.7)
Others	(42.1)	(21.2)	(63.3)
Total liabilities	**(232.0)**	**(431.1)**	**(663.1)**
Total cash and cash equivalents[(a)]	**348.0**		**348.0**
Net position before risk management	116.0	(431.1)	(315.1)
Hedging instruments	150.0	0	150.0
Net position after risk management	**266.0**	**(431.1)**	**(165.1)**

(a) Overnight deposits (deposit certificate) + money market securities.

Liquidity risk

In order to benefit from favourable market conditions, Atos Origin signed with a number of major financial institutions on 12 May 2005 a EUR 1.2 billion multi-currency revolving facility with five years maturity and a two-year extension option exercisable in 2006 and 2007. These options were exercised in 2006 and 2007 extending the maturity of the multi-currency revolving facility until 12 May 2011 for EUR 1.2 billion and 12 May 2012 for EUR 1.1 billion.

In addition, Atos Origin implemented a securitisation program in 2004 for a maximum amount of EUR 300 million, and on 7 October 2005 aligned the covenants on this programme with the more favourable terms of the new multi-currency revolving facility.

Currency exchange risk

Atos Origin operates in 40 countries. However, in most cases, Atos Origin invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimise the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
(in EUR million)	**2007**	2006	**2007**	2006
EUR	21.8	22.4	72.4	81.5
GBP	59.2	58.2	1.3	1.4
USD	45.4	33.1	47.9	36.6

Foreign currency sensitivity analysis

The Group is mainly exposed to the EUR, GBP and the USD.

The following table details the Group's sensitivity to a 5% increase and decrease of the sensitive currency against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for an increase in 5% change in foreign currency rates.

	EUR		GBP		USD	
(in EUR million)	**2007**	2006	**2007**	2006	**2007**	2006
Income Statement	(2.5)	(3.0)	2.9	2.8	(0.1)	(0.2)

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

At December 2007, derivatives are all allocated to the hedge of some transactional risks (interest and foreign exchange currency risks). However, from an accounting point of view, most of the derivatives were considered as trading instruments except for interest rate swaps covering the financial debt and the forward contracts related to specific contracts denominated in USD and INR, which are both qualified as cash flow hedge.

Breakdown of the designation of the instruments per currency is as follows:

	31 December 2007		31 December 2006		31 December 2005	
Instruments	**Fair value**	**Notional**	Fair value	Notional	Fair value	Notional
Cash flow hedge						
Interest rate						
Swaps	0.34	150	(1.2)	250.0	(6.4)	273.0
Foreign exchange						
Forward contracts USD	(0.9)	7.0	(0.7)	17.8	0.6	21.5
Forward contracts INR		17.6				
Trading						
Foreign exchange						
Forward contracts USD	0.4	7.6	0.8	17.9	(6.1)	94.3
Forward contract SEK					0.2	126.0
Forward contracts GBP	0.3	5.3	(0.3)	11.1	(0.1)	3.7
Forward contracts BRL/ZAR	0.0	0.5	(0.4)	9.1		

The net amount of cash flow hedge reserve at 31 December 2007 was EUR (0.6) million, with a variation of EUR (0.9) million (net of tax) over the year.

Note 23 - Trade accounts and notes payable

(in EUR million)	31 December 2007	31 December 2006	31 December 2005
Trade payables	629.3	595.7	579.6
Amounts payable on tangible assets	11.0	13.4	7.6
Sub-total	**640.3**	**609.1**	**587.2**
Reclassified as held for sale	(74.2)		
Total disclosed on the balance sheet	**566.1**		

Note 24 - Other current liabilities

(in EUR million)	31 December 2007	31 December 2006	31 December 2005
Advances and down payments received on client orders	7.6	21.0	23.9
Employee-related liabilities	339.6	307.3	305.6
Social security and other employee welfare liabilities	205.1	219.2	206.9
VAT payable	186.4	178.0	186.4
Deferred income	289.0	198.4	225.5
Other operating liabilities	140.7	139.0	162.6
Sub-total	**1,168.4**	**1,062.9**	**1,110.9**
Reclassified as held for sale	(101.5)		
Total disclosed on the balance sheet	**1,066.9**		

Note 25 - Off-balance sheet commitments

Off-balance sheet commitments include all significant rights and obligations of the Atos Origin Group other than those already included in the consolidated balance sheet and income statement. In line with the Financial Security Act published in August 2003, in order to ensure that off-balance sheet commitments given or received by the Group are exhaustive, exact and consistent, internal procedures for the identification and control of off-balance sheet commitments are strictly followed.

Group external financing is centralised at Group Treasury level and validated by the Management Board.

The Group makes a clear distinction between the approval of an investment and the financing decision for the approved investment. Process and threshold for investments to be approved by the internal Investment Committee are defined. Investments linked to major contracts may also require approval by the Management Board under the contract approval process.

The Group has issued instructions for the review and issuance of business and credit-related guarantees. These instructions define the approval process, including formal approval of the Group CFO in defined cases. The request for approval must be sent to Corporate Legal and the Global Treasury Department to review compliance with all Group policies.

For parent company guarantees (performance and financial guarantees), limits are authorised by the Supervisory Board within which the Management Board is authorised to grant guarantees. These limits are usually set for a 12-month period. For parent company guarantees exceeding a certain amount, specific authorisation must be sought from the Supervisory Board. The administration of these guarantees takes place at corporate level. At a local level the residual value of guarantees is defined and monitored by a joint assessment of legal and finance departments on a regular basis.

All bank guarantees require Corporate approval. The reconciliation of bank guarantees with the issuing bank is a local responsibility and is requested on a periodic basis. The main criteria for the approval of guarantees are compliance with legal requirements and a satisfactory risk assessment of the contract with the client.

In order to avoid double counting, issued guarantees are not disclosed if the underlying commitments (*e.g.* lease payments for office rent) are already disclosed or the underlying commitments are already recorded in the balance sheet (*e.g.* as a liability).

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the long-term borrowings and finance leases are posted on the Group balance sheet.

		Maturing				
(in EUR million)	**31 December 2007**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	31 December 2006	31 December 2005
Long-term borrowings (> 5 years)	415.1	5.2	409.3	0.6	554.4	456.1
Finance leases	23.0	10.3	12.7		42.4	59.9
Recorded on the balance sheet	**438.1**	**15.5**	**422.0**	**0.6**	**596.8**	**516.0**
Operating leases: land, buildings, fittings	575.4	149.0	362.3	64.1	574.1	587.3
Operating leases: IT equipment	53.0	36.2	16.8		97.2	146.0
Operating leases: other fixed assets	111.3	47.7	63.6		119.8	114.9
Non-cancellable purchase obligations (> 5 years)	15.0	10.6	4.3	0.2	12.5	28.4
Commitments	**754.7**	**243.5**	**446.9**	**64.3**	**803.6**	**876.6**
Total	**1,192.8**	**259.0**	**868.9**	**64.9**	**1,400.4**	**1,392.6**

Commercial commitments

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005
Bank guarantees	119.0	135.7	114.9
Pledges	0.1	1.0	1.3
Total	**119.1**	**136.7**	**116.2**

For various large long term contracts, the Group provides performance to its clients. These limited exposure guarantees amount to EUR 1,492.8 million as of 31 December 2007, compared with EUR 1,198.3 million in 2006. These guarantees represent a total contracts value of EUR 2.1 billion for 2007. The increase is mostly related to the German business where a significant long term contract has been signed with Dresdner Bank with issuance of guarantees.

In the framework of the contract for the provision of IT services signed by Atos Origin IT Services UK Limited with the International Olympic Committee (IOC), Atos Origin SAE (Spain) has granted a full performance guarantee to the IOC by which it commits to perform the contract in case the signing entity (or any other affiliate to whom the signing entity could have assigned all or part of the rights and obligations under the contract) is unable to provide services required under the contract.

In relation to the multi-currency revolving facility, Atos Origin SA issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 440 million the obligations of its subsidiary, Atos Origin Telco Services B.V.

Subsequent to the Cellnet disposal in July 2004, Atos Origin SA still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 96.4 million, which is fully counter-guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp".

In relation to its subsidiary Atos Worldline Belgium operating in the commercial acquiring of card transactions, Atos Origin Group has guaranteed directly or indirectly, its partners Visa International and MasterCard in case of default of payment resulting from its role of intermediary between the payment issuer and the beneficiary, or any major breaches to their rules. These guarantees are estimated for a maximum amount of USD 66.6 million. The effective risk is considered as very low.

In addition Atos Origin SA has granted a EUR 26.5 million guarantee to AIG Europe SA for the performance of the duties of its reinsurer St Louis Re. The Guarantee could only be exercised in the very unlikely event that St Louis Re was unable to meet all of its reinsurance obligations to AIG Europe.

Note 26 - Related party transactions

Transactions between Atos Origin and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Compensation of Management Board and Supervisory Board Members

The remuneration of Management Board and Supervisory Board members during the year was as follows:

(in EUR million)	**12 months ended 31 December 2007**	12 months ended 31 December 2006	12 months ended 31 December 2005
Short-term benefits	9.1	4.4	10.6
Long-term incentives	0.5	-	3.2
Termination benefits	9.2	6.0	3.6
Post-employment benefits	(4.5)	11.4	0.1
Equity-based compensation: stock options	1.6	3.6	2.9
Total	**15.9**	**25.4**	**20.4**

The remuneration of Management Board members is determined by the Remuneration Committee having regard to the performance of individuals and the Group's financial achievements.

Short-term benefits include salaries and bonuses as approved by the Supervisory Board, and fringe benefits. Bonuses correspond to the total charge in income statement including the bonuses effectively paid during the exercise, the charge in accruals relating to current year and the release in accruals relating to previous year.

Management board pension plan

On 23 May 2006 the Annual General Meeting has approved through its 5th resolution the principle of a pension scheme for Management Board members. On 24 July 2007 the Supervisory Board has decided to implement the plan rules of that pension scheme, which includes externally insured related Group obligations with reputable insurance carriers.

Following the implementation of this plan, the defined benefit obligation is estimated at EUR 10.4 million as at 31 December 2007. After the payment of an insurance premium for EUR 7.3 million in 2007, and given in particular that past service costs will be recognized starting from 1 January 2008, the related pension accrual is a prepaid pension cost (a pension asset) of EUR 0.4 million as at 31 December 2007.

Termination benefits

As explained in note 6, both Bernard Bourigeaud, Group CEO and Dominique Illien, Member of the Management Board have expressed their intention to leave the Group.

This has been effective for Dominique Illien as of 1 June 2007 and as of 31 December 2007 for Bernard Bourigeaud. As a consequence, a termination benefit charge was booked in the 2007 consolidated accounts for respectively EUR 2.8 million and EUR 6.4 million within the restructuring costs.

This charge included for Bernard Bourigeaud and Dominique Illien respectively: EUR 4.5 million and EUR 2 million of termination indemnity, social charges of EUR 0.9 million and EUR 0.5 million, EUR 1 million and EUR 0.3 million for part of the stock options maintained in the termination package in 2007.

Note 27 - Subsequent events

The disposal of the Italian operations has been finalised as of 31 January 2008 following the approval of the Italian anti-trust authority. The deconsolidation of the corresponding subsidiaries will take place as from 1 February 2008.

Note 28 - Main operating entities part of scope of consolidation as of 31 December 2007

	% of interest	Consolidation method	% of control	Address
Holding				
Atos Origin SA	Consolidating parent company			18 avenue d' Alsace, 92400 Courbevoie
Atos Origin BV	100	FC	100	Groenewoudseweg 1, 5621 BA Eindhoven Netherlands
Atos Origin International NV	100	FC	100	Rue Abbé Cuypers 3, Priester Cuypersstraat, 1040 Brussels
Atos Origin International Competencies and Alliances (ICA)	100	FC	100	Rue Abbé Cuypers 3 Priester Cuypersstraat 1040 Brussels
Saint Louis Re	100	FC	100	74 rue de Merl, L2146 Luxembourg
Atos Origin International SAS	100	FC	100	18 avenue d'Alsace, 92400 Courbevoie
Atos Origin International BV	100	FC	100	Naritaweg 52, 1043 BZ Amsterdam Netherlands
France				
Arema	95	FC	95	18 avenue d'Alsace, 92400 Courbevoie
Atos Worldline	100	FC	100	18 avenue d'Alsace, 92400 Courbevoie
Atos Origin Integration	100	FC	100	18 avenue d'Alsace, 92400 Courbevoie
Diamis	30	FC	60	6/8 Boulevard Haussmann, 75009 Paris
Mantis SA	100	FC	100	24 rue des Jeûneurs, 75002 Paris
Atos Origin Infogérance	100	FC	100	18 avenue d'Alsace, 92400 Courbevoie
Atos TPI	51	FC	51	18 avenue d'Alsace, 92400 Courbevoie
Atos Consulting	100	FC	100	6/8 boulevard Haussmann, 75009 Paris
Atos Origin A2B	100	FC	100	18 avenue d'Alsace, 92400 Courbevoie
Atos Euronext Market Solution SAS	50	FC	50	6/8 boulevard Haussmann, 75009 Paris
Atos Origin Formation	100	FC	100	7/13 rue de Bucarest, 75008 Paris
United Kingdom				
Atos Consulting Limited	100	FC	100	4 Triton Square, Regent's Place, London, NW 1 3HG UK
Atos Origin IT Services UK Ltd	100	FC	100	4 Triton Square, Regent's Place, London, NW 1 3HG UK
Atos Euronext Market Solution Ltd	50	FC	50	25 Bank Street, London, E145 NQ
Atos Euronext Market Solution IPR Ltd	50	FC	50	25 Bank Street, London, E145 NQ
Netherlands				
Atos Origin IT Services Nederland B.V.	100	FC	100	Papendorpseweg 93, 3528 BJ Utrecht Netherlands
Atos Origin IT Systems Management Nederland BV	100	FC	100	Papendorpseweg 93, 3528 BJ Utrecht Netherlands
Atos Origin Nederland B.V.	100	FC	100	Papendorpseweg 93, 3528 BJ Utrecht Netherlands
Atos Origin Telco Services	100	FC	100	Henri Dunantlaan 2, 9728 HD Groningen Netherlands
Atos Origin IT Financial Services BV	100	FC	100	Arlandaweg 98, 1043 HP Amsterdam Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93, 3528 BJ Utrecht Netherlands

	% of interest	Consolidation method	% of control	Address
E.M.E.A. (Europe – Middle East – Africa)				
Austria				
Atos Origin Information Tech GmbH	100	FC	100	Technologiestrasse 8/Gebaude, D 1120 Vienna Austria
Belgium				
Atos Origin Belgium SA	100	FC	100	Da Vincilaan 5, 1930 Zaventem
Atos Worldline NV	100	FC	100	Chaussée de Haecht 1442, B-1130 Brussels
Germany				
Atos Worldline GmbH	100	FC	100	Hahnstrasse 25, 60528 Frankfurt Germany
Atos Origin GmbH	100	FC	100	Theodor AlthoffStrasse 47, 45133 Essen
Atos Worldline Processing GmbH	58,4	FC	58,4	Hahnstrasse 25, 60528 Frankfurt Germany
Greece				
Atos Origin Hellas SA	100	FC	100	Kifissias 18, 15125 Maroussi Athens
Italy				
Atos Origin Italia Spa	100	FC	100	11026 Pont Saint Martin (AO), Viale Carlo Viola n. 76
Luxemburg				
Atos Origin Luxembourg S.A.	100	FC	100	2 rue Nicolas Bové, L1253 Luxembourg
Morocco				
Atos Origin Maroc	100	FC	100	Avenue Annakhil, Espace high-tech, hall B, 5th floor, Hayryad RABAT
Poland				
Atos Origin IT Services SP ZOO	100	FC	100	Ul. Domaniewska 41 (Taurus Building) 02–672 Warsaw Poland
Portugal				
Atos Origin Tecnologias de Informaçao LDA	100	FC	100	5 Avenue Outubro, 73C 1° Edificio Goya 1050 Lisbon Portugal
South Africa				
Atos Origin (Pty) Ltd	70	FC	70	204 Rivonia Road, Sandton Private Bag X 136, Bryanston 2021
Spain				
Atos Origin, Sociedad Anónima Española	100	FC	100	Albarracin 25 – Madrid 28037 – Spain
Sweden				
Atos Consulting AB (Sweden)	100	FC	100	Wallingatan 11 111 60 Stockholm
Switzerland				
Atos Origin (Schweiz) AG	100	FC	100	Industriestrasse 19, 8304 Wallisellen (Zurich)
Turkey				
Atos Origin Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	100	FC	100	Kısıklı Caddesi, Aksel Merkezi A Blok No 37 Kat 2 Altunizade, Üsküdar, Istanbul

	% of interest	Consolidation method	% of control	Address
Asia – Pacific				
China				
Atos Origin Information Technology (Shangai) Co. Ltd.	100	FC	100	Room 1103-B4, Pudong Software Park, Zhang Jiang Hi-Tech Zone, 498 Guo Shou King Road, Shanghai 201203
Atos Origin Information Technology (Beijing) Co Ltd	100	FC	100	502-505 Lido Commercial Building, Lido Place, Jichang Road, Chaoyang District, Beijing
Atos Origin Hong Kong Ltd	100	FC	100	Suites 1701-8, 17/F, The Prudential Tower, 21 Canton Road, Kowloon, Hong Kong
India				
Atos Origin India Private Ltd	100	FC	100	Unit 126/127, SDF IV, SEEPZ, Andheri (East), 400 096 Bombay
Atos Origin IT Services Private Ltd	100	FC	100	The Capital Court, 4th Floor, LSC Phase III, Olof Palme Marg, Munirka, New Delhi 110 003
Indonesia				
PT Atos Origin Indonesia	100	FC	100	Wisma Kyoei Prince #1707 Jalan Jenderal Sudirman Kav 3 Jakarta 10220 Indonesia
Japan				
Atos Origin KK	100	FC	100	20 F, Shinjuku ParkTower Nishi Shinjuku 3-7-1 Shinjuku-ku, Tokyo, Japan
Malaysia				
Atos Origin (Malaysia) sdn bhd	100	FC	100	Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
Singapore				
Atos Origin Asia Pacific Pte Ltd	100	FC	100	8 Temasek Boulevard, #07-01 Suntec City Tower 3 Singapore 038988
Taiwan				
Atos Origin Taiwan Ltd	100	FC	100	9 F, No. 115, Sec 3, Ming Sheng Road, Taipei, Taiwan 105
Thailand				
Atos Origin (Thailand) Limited	100	FC	100	200 Village N°.4, Jasmin International Tower, 25th Floor, Chaengwattana Road, Parkkred Sub-district, Pakkred District, Nonthaburi Province
Americas				
Argentina				
Atos Origin Argentina SA	100	FC	100	Vedia 3892 C1430DAL-Capital Federal Republica Argentina
Brazil				
Atos Origin Brasil Ltdal	100	FC	100	Rua Itapaiuna 2434 – 2° andar – parte – Santo Amaro- Sao Paulo
Atos Origin IT Serviços do Brasil Ltdal	100	FC	100	Rua Alexandre Dumas 1711 – bloco 12 – 1° andar Sao Paulo CEP 04717004
Mexico				
Atos Origin IT Services Mexico SA de CV	100	FC	100	Ejercito Nacional 425, 6° Floor, Colonia Granada, 11520 Mexico City Mexico
United States of America				
Atos Origin Inc	100	FC	100	5599 San Felipe, Suite 300 Houston, Texas 77056-2724 USA

The complete list of entities part of Atos Origin Group is available on our internet site www.atosorigin.com.

3.4. Parent company summary financial statements

3.4.1. Nota Bene

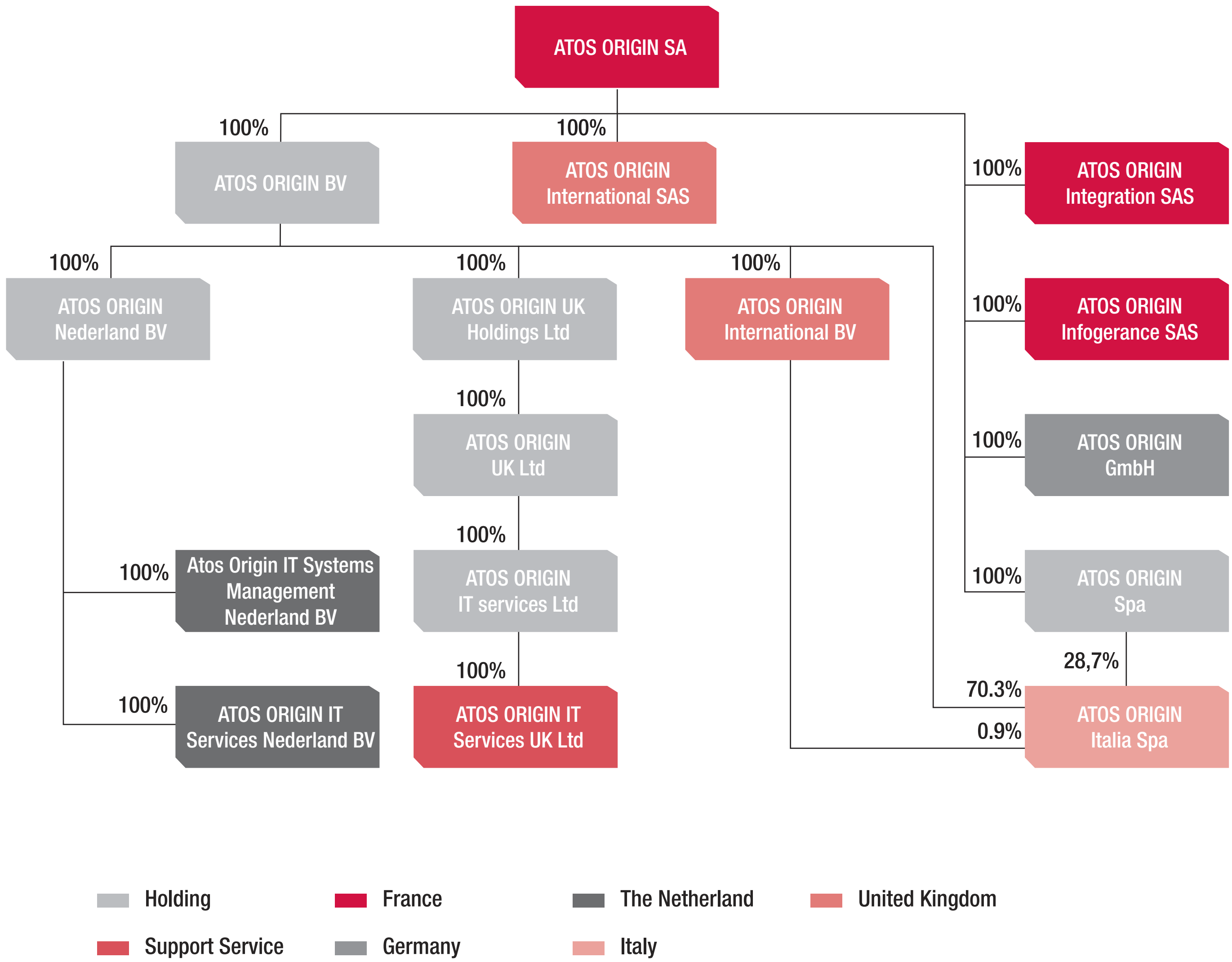
Atos Origin SA financial statements present only a partial picture of the financial position of the Atos Origin Group as a whole. This overall picture is presented in the Consolidated Financial Statements section of the Annual Report. The following Atos Origin parent company financial statements provide a summary of the most material figures and information of greatest interest to readers.

The parent company financial statements, prepared under French GAAP have not been audited yet by the statutory auditors.

3.4.2. Parent company's simplified organisation chart

Atos Origin shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. They were first listed in Paris in 1995. The shares are not listed on any other stock exchange and Atos Origin SA is the only Group listed company.

At 31 December 2007, the Group's issued common stock amounted to EUR 69.7 million, comprising 69,710,154 fully paid-up shares of EUR 1 par value each.



The main operating subsidiaries at 31 December 2007 are as follows:

Company *(in EUR million)*	Country	Activity	Revenue	Profit before tax	Fixed assets
Atos Origin IT systems management NL BV	Netherlands	Managed Operations	487.1	22.6	66.7
Atos Origin IT services NL BV	Netherlands	Systems Integration	464.2	49.6	29.5
Atos Origin IT services UK Ltd	United Kingdom	Systems Integration and Managed operations	637.7	(1.8)	56.1
Atos Origin International SAS	France	Corporate support	139.4	(6.5)	3.7
Atos Origin Intégration SAS	France	Systems Integration	694.4	(57.5)	21.6
Atos Origin Infogérance SAS	France	Managed Operations	453.3	2.8	61.6
Atos Origin GmbH	Germany	Systems Integration and Managed operations	497.3	33.2	149.6
Atos Origin Italia Spa	Italy	Systems Integration and Managed operations	268.6	(37.4)	8.2

NB: All reported figures in the above table are expressed according to local generally accepted accounting principles.

Atos Origin International SAS is a French company supporting Group central costs. A Group Services Agreement (GSA) is in place: Atos Origin International SAS centralises all corporate costs incurred in other countries (Belgium, The Netherlands and Switzerland), and receives GSA fees from the participating companies.

3.4.3. Atos Origin SA activity in 2007

Atos Origin SA main activities are:

- the management of Group investments. All the Group participating interests are held through the parent company Atos Origin SA and its subsidiary in the Netherlands Atos Origin BV;
- the management of Group financing activities. Atos Origin SA holds most of the long-term borrowings and heads the securitisation programme;
- the management of the Atos Origin trademark. "Atos Origin" is a registered trademark owned by Atos Origin SA and registered under "Atos", "Origin" or "Atos Origin" in all countries in which the Group does business. All subsidiaries in which the Group owns more than 50% of the issued share capital and which are named "Atos" or "Atos Origin" are charged trademark fees.

3.4.4. Income statement

The Group financial statements reflect its activities:

In 2007, revenue mainly related to trademark fees received from Group subsidiaries for approximately EUR 42 million slightly higher than last year (EUR 40 million).Trademark fees received in 2007 corresponds to 0.71% of Group Revenue.

Other income amounted to EUR 9.2 million mainly composed of a release of provision concerning the cost of the management board (2006) EUR 6.0 million, a transfer of charge from Operating Margin to Non-recurring items for EUR 2.5 million and a release of provision on tax.

- Cost of sales included sponsorship fees paid to the International Olympic Committee. These fees to the International Olympic Committee decreased by 14% compared to 2006.
- Other expenses mainly comprised marketing, communication, and investor relations expenses invoiced by Atos Origin International SAS.
- Net financial expenses included:
  - EUR 14.6 million of dividends received from subsidiaries;
  - net interest costs on long and medium term borrowings: EUR (45.9) million in 2007 compared to EUR (20.7) million in 2006. The increase came mainly from EUR (13.0) million of overdraft;
  - the financial subsidy granted to AO Origin SPA for EUR (8.6) million to restore its equity and cash position;
  - provision for depreciation of ownershares Atos Origin for EUR (6.0) million.
- Non-recurring items: included EUR (8.4) million of indemnity payments to the leaving Management Board members.
- Corporate tax was positive due to the effect of the French tax consolidation, as Atos Origin SA is the head of the French tax consolidation.

(in EUR million)	**Period ended 31 December 2007**	Period ended 31 December 2006	Period ended 31 December 2005
Revenue	**44.8**	**43.9**	**28.2**
Other income	9.2	0.0	0.1
Total operating income	**54.0**	**43.9**	**28.3**
Cost of sales	(26.4)	(16.5)	(13.6)
Taxes	(0.8)	(0.3)	(0.1)
Personnel expenses	0.0	0.0	0.0
Other expenses	(22.7)	(17.0)	(12.1)
Depreciation, amortisation and provisions	(16.5)	(6.7)	0
Total operating expenses	**(66.4)**	**(40.5)**	**(25.8)**
Operating margin	**(12.4)**	**3.4**	**2.5**
Net financial expenses	(39.0)	(4.0)	(21.0)
Net income on ordinary activities	**(51.4)**	**(0.6)**	**(18.5)**
Non-recurring items	(15.3)	(1.6)	1.0
Corporate income tax	7.8	17.1	16.6
Net income for the period	**(58.9)**	**14.9**	**(0.9)**

3.4.5. Balance sheet

The Group balance sheet at 31 December 2007 was essentially composed of:

- EUR 107 million for intangible fixed assets resulting from the financial statutory reorganisation performed in France in 2004;
- EUR 2,283.6 million for participating interests;
- EUR 248.5 million of other investments, which include the deposit paid in relation to the implementation of the securitisation programme, and inter-company loans.

Assets *(in EUR million)*	31 December 2007	31 December 2006	31 December 2005
Intangible fixed assets	107.0	107.6	177.7
Tangible fixed assets	0.5	0.6	0.8
Participating interests	2,283.6	2,228.3	2,007.0
Other investments	249.1	276.3	292.8
Total fixed assets	**2,640.2**	**2,612.8**	**2,478.3**
Trade accounts and notes receivable	3.6	4.2	7.9
Other receivables (*)	102.8	104.4	63.2
Transferable securities	26.2	11.9	0.0
Cash at bank and in hand	224.6	259.6	174.0
Total current assets	**357.2**	**380.1**	**245.1**
Prepayments and accrued income	2.8	3.3	5.3
Total Assets	**3,000.2**	**2,996.2**	**2,728.7**
(*) of which inter-company accounts:	*94.8*	*80.6*	*26.6*

Liabilities and Shareholders' Equity *(in EUR million)*	31 December 2007	31 December 2006	31 December 2005
Common stock	69.7	68.9	67.4
Additional paid-in capital	1,409.7	1,384.4	1,333.0
Legal reserves	6.9	6.2	6.2
Other reserves and retained earnings	192.9	178.7	179.5
Net income for the period	(58.9)	14.9	(0.9)
Shareholders' equity	**1,620.3**	**1,653.1**	**1,585.2**
Other shareholders' equity	**0.0**	**0.0**	**0.0**
Provisions for contingencies and losses	**39.5**	**33.5**	**9.1**
Borrowings	798.3	898.2	625.7
Trade accounts payable	28.6	24.7	18.4
Other liabilities (*)	513.5	386.7	490.3
Total liabilities	**1,340.4**	**1,309.6**	**1,134.4**
Total Liabilities and Shareholders' Equity	**3,000.2**	**2,996.2**	**2,728.7**
(*) of which inter-company accounts:	*500.6*	*385.0*	*479.1*

3.4.6. Main subsidiaries and investments

Companies *(in EUR million)*	Gross value at 31 Dec. 2007	Net value at 31 Dec. 2007	% interest	Common stock/ additional paid-in capital	Reserves and retained earnings	Outstanding loans and advances granted by Atos Origin	Guarantees given by the Group	31 Dec. 2007 Revenue	31 Dec. 2007 Net income	Dividends received during the period
I – Detailed information										
A – Subsidiaries (50% or more of common stock)										
France										
Atos Worldline	110.0	110.0	100%	99.0	25.2		15.5	272.2	15.9	3.2
Atos Investissement 5	618.7	618.7	100%	618.7	2.3			0.0	0.0	
Atos Origin Infogérance	101.8	101.8	92%	31.1	0.1		54.3	453.3	2.8	5.6
Atos Origin Formation	0.0	0.0	100%	0.4	0.0			9.1	0.5	0.9
Atos Origin Intégration	59.9	59.9	100%	44.9	(24.9)		17.4	694.4	(57.2)	
Atos Consulting	16.1	16.1	100%	7.1	0.0			55.5	0.5	2.8
Atos Origin Participation2	30.6	30.6	100%	15.6	(1.6)			0.0	1.7	
Atos Origin International	2.4	2.4	100%	1.0	0.1			139.4	(6.5)	
Italy										
Atos Spa	57.1	0.0	100%	0	11.6			0.0	0.1	
Benelux										
Atos Origin BV	1,139.6	1,139.6	100%	995.9	(361.2)	128.0		0.0	(57.5)	
St-Louis RE	1.2	1.2	100%	1.2			26.9	0.0		
Spain – Portugal										
Atos Origin SAE	53.4	53.4	100%	41.3	30.3			315.7	(1.4)	2.0
GTI	0.7	0.6	100%	0	0.3			0.9	(0.1)	
Germany										
Atos Origin GmbH	110.8	110.8	100%	111.9	30.2		320.6	497.3	12.7	
Sema GmbH	50.6	0.0	100%	51.0	(52.9)			0	0	
Sweden										
Atos Origin Sweden	19.9	2.3	100%	0.5	1.6			0.0	0	
Other										
Atos Investissement 10l Ltdal	5.0	5.0	100%	5.0	(0.1)	5.2		0	(0.3)	
B – Investments (less than 50% of common stock)										
Brazil										
Atos IT Servicios do Brazil Ltdal	10.7	10.7	37%	26.3	(16.5)		5.1	96.7	1.1	
AtosEuronext Market Solutions	20.1	20.1	6%	158.1	(0.1)		0.0	0.0	0.0	
II – Summary informations										
Other investments	0.4	0.4								0.1
Total	**2,409.0**	**2,283.6**					**439.8**			**14.6**

NB: All reported figures in the above table are expressed according to local generally accepted accounting principles.

Subsidiaries value is based on the net firm value or net equity.

3.4.7. Company five-year financial summary

(in EUR million)	**31 December 2007**	31 December 2006	31 December 2005	31 December 2004	31 December 2003
I – Common stock at period end					
Common stock	69.7	68.9	67.4	66.9	47.9
Number of shares outstanding	69,710,154	68,880,965	67,363,465	66,938,254	47,869,633
Maximum number of shares that may be created by:					
* conversion of convertible bonds	0.0	0.0	0.0	0.0	1,440,501
* exercise of stock subscription options	5,982,272	6,445,741	6,145,432	5,650,931	5,356,430
II – Income for the period					
Revenue	44.8	43.9	28.3	60.5	27.5
Net income before tax, employee profit-sharing and incentive schemes, depreciation, amortisation and provisions	(48.4)	115.2	27.3	1.1	31.0
Corporate income tax	7.8	17.0	16.6	10.7	2.9
Net income after tax employee profit-sharing, depreciation, amortisation and provisions	(58.9)	14.9	(0.9)	29.1	22.5
Dividend distribution	0.0	0.0	0.0	0.0	0.0
III – Per share data *(in EUR)*					
Net income after tax and employee profit-sharing but before depreciation, amortisation and provisions	(0.58)	1.92	0.65	0.18	0.71
Net income after tax, employee profit-sharing, depreciation, amortisation and provisions	(0.84)	0.21	0.0	0.43	0.47
Dividend per share	0.0	0.0	0.0	0.0	0.0
IV – Employees					
Average number of employees during the period	0.0	0.0	0.0	0.0	0.0
Total payroll for the period	0.0	0.0	0.0	0.0	0.1
Employee social security and welfare payments	0.0	0.0	0.0	0.0	0.0

3.5. Auditors' special report on agreements involving members of the Board of Directors

[This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with related parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.]

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

1. Agreements and commitments authorised during the year

In application of article L.225-88 of the French Commercial Code ("Code de Commerce"), we have been informed of agreements and commitments which were previously authorised by the Supervisory Board.

The terms of our engagement do not require us to identify other agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R.225-58 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments with respect to their approval.

We conducted our procedures in accordance with professional standards applicable in France. These standards require that we agree the information provided to us with the relevant source documents.

1.1. Agreements concluded with two members of the Management Board, authorized by the Supervisory Board meetings of 23 May 2007 and 20 July 2007 – Termination of functions

In its meeting of 23 May 2007, the Supervisory Board authorised the Management Board to conclude with M. Dominique Illen, a member of the Management Board, a firm and final settlement agreement defining the terms and conditions of the termination of all mandates and functions of M. Illien at Atos Origin Group. In consideration for this settlement, pursuant to which his mandate ceased on 31 May 2007, and in addition to the lump-sum settlement mentioned in section 2.2 of this report, M. Illien retained the benefit from one third of the 35,000 share subscription options granted on 10 January 2005, exercisable at the price of EUR 49.75, and from two thirds of the 35,000 share subscription options granted on 29 March 2006, exercisable at the price of EUR 59.99, for which the vesting period had not expired on 31 May 2007. M. Illien will also receive a EUR 200,000 indemnity to be paid on 31 December 2008, in compensation for not soliciting or recruiting Atos Origin Group employees until this date.

In its meeting of 20 July 2007, the Supervisory Board authorised the Management Board to conclude with M. Bernard Bourigeaud, President of the Management Board and Management Board member, a firm and final settlement agreement defining the terms and conditions of the termination of all mandates and functions of M. Bourigeaud at Atos Origin Group. In consideration for this settlement, pursuant to which his mandate as President of the Management Board ceased on 30 September 2007 and his mandate of Management Board member ceased on 31 December 2007, and in addition to the lump-sum settlement mentioned in section 2.2 of this report, M. Bourigeaud retained the benefit from one third of the 47,500 share subscription options granted on 10 January 2005, exercisable at the price of EUR 49.75, and from two thirds of the 55,000 share subscription options granted on 29 March 2006, exercisable at the price of EUR 59.99, from all of the 10,232 share subscription options granted on 17 May 2007 as part of the Long Term Incentive program ("LTI"), and from all of the 10,956 share subscription options granted on 18 June 2007 as part of the Management Investment Plan ("MIP"), for which the vesting period had not expired on 31 December 2007.

1.2. Commitment concluded with each of the Management Board members, authorised by the Supervisory Board meetings of 24 July 2007 and 14 November 2007 – Terms and conditions related to a supplementary collective defined benefit pension plan

In its meeting of 24 July 2007, the Supervisory Board authorised the terms and conditions, commencing 1 January 2007, of the supplementary collective defined benefit pension plan concerning, amongst others, Messrs Bourigeaud, Germond, Guilhou and Kieboom, without prejudicing previously acquired rights, based on the agreement authorised by the Supervisory Board on 16 December 2005, which was approved by the General Shareholders meeting of 23 May 2006. On 14 November 2007, the Supervisory Board approved additional features concerning, amongst others, the retroactivity of rights of certain beneficiaries in this plan.

The terms and conditions of this pension plan are as follows:

- benefit retirement up to a maximum of 60% of the last remunerations, as approved by the General Shareholders meeting of 23 May 2006, is calculated based on the average annual fixed salaries over the last thirty-six months, after deduction of mandatory or other contractual pension benefits, including any defined contribution scheme;
- accrual of rights is based on a fifteen year contribution starting from start of service in management positions, with a fifteen year maximum retroactivity. A benefit to surviving spouse is an option at the discretion of the beneficiary, the related capital not being modified by this choice;
- the scheme also includes a defined contribution of up to 5% of the annual gross salary limited to 5 times the annual French social security ceiling amount.

The provision of EUR 11.4 million provided for in Atos Origin's consolidated financial statements as at 31 December 2006 based on the agreement authorised by the Supervisory Board on 16 December 2005 and approved by the General Shareholders meeting of 23 May 2006, as mentioned in section 2.2 of this report, has been adjusted in 2007, based on final terms and conditions of the plan authorised by the Supervisory Board on 24 July 2007 and clarified on 14 November 2007 as described above.

Based on the hypothesis defined on 31 December 2007, the engagement of the Group for this agreement has been evaluated as EUR 10.4 million. In accordance with IFRS standards, only the element of the engagement corresponding to rights acquired (EUR 8.7 million) represents a liability as at 31 December 2007.

Considering the payment of EUR 7.3 million to an insurance company for this regime in 2007, and the recognition, in 2007, of a EUR 1.8 million asset allocated to the regime described above, a EUR 0.4 million net asset has been recognised in consolidated financial statements as at 31 December 2007.

Consequently, the adjustments recorded in 2007 represent a EUR 4.5 million net gain in the 2007 consolidated net income, being:

- liability reduction of EUR 2.7 million,
- asset recognition of EUR 1.8 million.

In its meeting of 31 July 2007, the Supervisory Board authorised the Management Board to conclude an amendment to the Management Board Members Status (agreement mentioned in section 2.2 of this report, initially authorised by the Supervisory Board on 16 December 2005 and approved by the General Shareholders meeting of 23 May 2006) with any present or future member of the Management Board. The amendment to the Management Board Members Status as authorised by the Supervisory Board in its meeting of 31 July 2007 specifies that supplementary benefits rights described above are calculated prior to termination of duties and are acquired to the Management Board member who benefits from these rights in the conditions defined by the company for its employees.

2. Agreements and commitments approved in previous years with continuing effect during the year

Furthermore, pursuant to the French Commercial Code, we have been informed that the performance of the following agreements and commitments, approved in previous fiscal years, continued during the year ended 31 December 2007.

2.1. Debt securitisation program

We inform you that, as part of the negotiation of a debt securitisation program, for a maximum borrowing of €200 million, the Supervisory Board, during its meetings held on 12 December 2003 and on 15 March 2005, authorised two guarantees for Ester Finances (a company in the Crédit Lyonnais Group), in the form of a subordinated deposit and a letter of guarantee, covering the company's obligations as the project's coordinating unit and the obligations of its main subsidiaries participating in the project and located in the Netherlands, France, Germany and the United Kingdom. These two guarantees continued during the current fiscal year.

2.2. Status of Management Board members

We also inform you that, in connection with the status of Management Board members (agreement authorised by the Supervisory Board meeting held on 16 December 2005, and approved by the shareholders, during the annual general meeting held on 23 May 2006), the following commitments, with respect to compensation due to a termination of duties and to a supplementary defined benefit pension, concluded with each current and future Management Board member, and representing remuneration, compensation or benefits likely to be payable due to the termination of duties, or subsequent thereto, continued:

A compensation equal to 24 months of remuneration based on an annual base salary equal to the annual fixed salary plus the variable salary target of the year during which the duties were terminated and increased, if necessary and on the decision of the Chairman of the Management Board as approved by the Supervisory Board, by the amount of the long-term incentive of said year, to the exclusion of any other benefit of any kind. This compensation shall only be payable in the event of the revocation without cause of the duties of the Management Board member, when such termination takes place simultaneously to the termination of any remunerated term of office, employment or service contract that might exist with the company or one of its subsidiaries.

During the fiscal year, this agreement resulted in the payment of:

- EUR 1.8 million in compensation to Mr. Dominique Illien, with respect to the termination of all his duties and functions within the Atos Origin Group, on 31 May 2007. Mr. Dominique Illien has also renounced all his rights with respect to the supplementary pension benefit whose principle is described below.
- EUR 4.5 million in compensation to Mr. Bernard Bourigeaud, with respect to the termination of all his duties and functions within the Atos Origin Group, on 31 December 2007, including all other rights provided by the harmonisation of the status of Management Board members, except for the rights with respects to the supplementary pension benefit as noted below.

The principle of a payment of a supplementary defined benefit pension, where the final terms and conditions were concluded during the 2007 fiscal year, as described in section 1.2 of this report.

Paris and Neuilly-sur-Seine, 8 April 2008

The Statutory Auditors

Grant Thornton French member of Grant Thornton International		Deloitte & Associés	
Daniel Kurkdjian	Vincent Papazian	Jean-Paul Picard	Jean-Marc Lumet

4 » RISK ANALYSIS

4.1. Business risks

4.1.1. The market

The demand for IT solutions and services is influenced by clients' demand, which in turn is affected by the general economic climate, market conditions in the related sectors, the economic cycle and technology developments. During a downturn, existing clients may cancel, reduce or postpone existing contracts and prospective clients may defer entering into new contracts. These potential adverse effects are mitigated by the broad-based spread of Atos Origin's contracts and services. Approximately two thirds of the Group's revenues are generated under multi-year recurring revenue contracts.

4.1.2. Clients

The Group's top 30 clients generate more than 47% of total Group revenues. The five largest clients in 2007 represented 18% of the Group's total revenues which decreased the last few years. No single client generated more than 6% of total revenues. This represents only a very modest exposure since all of these clients are large national or multinational groups with a limited risk of insolvency.

Client relationship management is critical to ensure the proper delivery of services, the renewal of contracts and mitigation of the risks of early termination. In this respect, the Group has implemented detailed contract management processes and created a global account management function to oversee client accounts. Global account managers are responsible for the overall quality of services and relationships with global key clients.

As a result of Sarbanes-Oxley and similar legislation, clients increasingly require our services to be certified. In response, the Group has developed and implemented a number of audit and certification processes enabling this and has adjusted its standard contract terms to properly address these requirements.

The client selection process and risk analysis is fully integrated within the global risk assessment process throughout the life cycle of a project. Credit risks are assessed on an individual basis and, where appropriate, provision is made to take into account likely recovery problems.

4.1.3. Legal risks

The IT services provided to clients are to a large extent essential to clients' commercial activities and IT solutions often play a key role in the development of their business. Any inadequate implementation of sensitive IT systems or any deficiency in the execution of services, either related to delays or unsatisfactory level of services, may increase the risk of contract liability arising.

Systems integration frequently involves products designed and developed by third parties. Those products may be standard or may need to be adapted or specifically developed for customised requirements. Similarly, client's special demands in terms of functionality may either disrupt the operation of third-party products or cause significant delays or implementation problems, which might result in termination of the contract or penalties being imposed on the Group.

The practice exists in the IT sector by which some contracts are concluded on a fixed-rate basis and some have a result-based formula. In the case of fixed-price contracts a price is negotiated regardless of the costs or difficulties inherent in the project. Extending work beyond the initial estimate may generate operating losses. These may sometimes be exacerbated by the existence of contractual penalties. In such situations, Atos Origin could be exposed to the risk of incurring significant unforeseen costs or penalties on execution of the contract.

The Group seeks to minimise such risks through a rigorous review processes at the bid stage. We have a specific process called Atos™ Rainbow under which contract bids are reviewed and through which we maintain a continuous risk register. The register is used as the basis for taking mitigating action where appropriate and following up on outstanding actions.

In 2007, the Atos™ Rainbow process has been extended to the execution phase of the contract, including updates to the risk register as and when required. Roll out has started in some countries.

Periodical risk reviews are being performed on major contracts, which allowed a better control of slippages and other delivery performance issues.

4.1.4. Suppliers

Atos Origin relies on a limited number of key suppliers in its business, notably with respect to software used in the design, implementation and running of IT systems. While there are alternative sources for most software and the Group has long-term licences and agreements with a range of qualified suppliers, the failure of such suppliers to continue producing innovative software, or the inability to renew agreements on acceptable terms, could have an adverse effect on Atos Origin's business.

Major risks with key IT suppliers are managed centrally by the Group Purchasing department. This department is responsible for relationships with suppliers, including their identification and selection, contract negotiation and the management and resolution of potential claims and litigations.

4.1.5. Partnerships and subcontractors

Atos Origin relies from time-to-time on partnerships and subcontractors to deliver services in specific contractual situations. The use of third parties is commonplace within the industry but represents a business risk that must be carefully managed by the Group. Partnerships may be formed or subcontractors may be used in areas where the Group does not have specific expertise necessary to fullfil the terms of a particular contract or requires such skills for a limited period of time only, or to comply with local legislation. All requests to enter into partnerships or use subcontractors are initiated locally by the bid team evaluating the proposal. In each case, such requests are reviewed and approved by the main country office initially, and thereafter by the Risk Management Committee, which approves the contractual share of responsibilities and risks between Atos Origin and the third party.

The Purchasing of subcontracting is managed by the country and Group Purchasing departments according to the same purchasing processes and policies as all other categories.

4.1.6. Technology and IT risks

IT system breakdowns could be critical both for the internal operations of the Group and for its clients' needs in relation to the services provided. The Group has implemented specific programmes and procedures to ensure the proper management of IT risks, covering security and back-up systems and effective insurance coverage.

IT production sites, offshore development, maintenance centers and datacenters are specifically subject to high level technical procedures covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature change, data storage and back-up, contingency and disaster recovery plans.

4.1.7. Employees

Dependence on qualified personnel

The success of Atos Origin depends largely on the skills, experience and performance of its staff and key members of its management teams. There is a high level of demand for qualified managers in the IT services markets. The loss of key management could have a detrimental effect on the delivery of services and the financial results of Atos Origin. The Group retains key management by providing challenging job content, exciting careers opportunities and by offering a competitive compensation package. It supports this programme through an efficient personnel organisation and by having a motivated human resources community.

Atos Origin carries out regular succession planning reviews and provides adequate back-up and planning to make certain that scarce skills can be replaced. This ensures, where appropriate, that there are training programmes in place to develop staff to take over key roles. Such training includes the regular rotation of jobs, including international assignments, and is an important element of the staff appraisal system.

Employee attrition

The inability to recruit and retain an adequate number of qualified employees to satisfy demand, or the loss of a significant number of staff could have serious repercussions in terms of the Group's ability to secure and successfully deliver client contracts. In 2007, the Group has suffered from attrition in its Consulting service line. Although this has not hindered the Group in fulfilling its contractual requirements, it has impacted upon revenue. To counter this, focused recruitment campaigns and retention programs have been launched and implemented.

The human resources department has established specific programmes to attract and retain the best staff in each area of expertise, developing them through continuous training programmes, competitive performance rewards and by creating a culture and atmosphere in which staff are able to develop their careers. The Group has proposed to shareholders at the Annual General Meeting that a new Management Incentive Plan and Employee Share Purchase Plan could be put in place to attract high quality recruits and retain staff. The scheme aims to encourage management and employees to purchase shares in the Group.

Offshoring

Atos Origin increasingly fulfils its Systems Integration and Managed Operations contracts using offshore facilities in order to optimise its cost structure.

The 3O3 programme has a dedicated and successful stream to increase our offshore capacity. In recent contracts we see an increase in the combination of insourcing and offshoring, resulting into a requirement to deploy insourced staff onto other contracts. Given our ongoing need to attract and deploy staff this has not created any utilisation issues.

Although the surge in offshoring is recent, we have operated offshore facilities for more than 8 years. Our processes are mature and our offshore facilities are certified. We are therefore well positioned with respect to addressing any business risk associated with offshoring.

4.1.8. Business risk assessment and management

Atos Origin has a robust business risk management approach reinforced during the last two years, based on two essential processes.

Risk management system

The Group operates a risk management system that facilitates the analysis and treatment of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that are capable of being delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including both technical and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are taken to reduce the likelihood and impact of negative outcomes on the project; and,
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimise the use of exposed capital.

Following the implementation of the new top management structure in 2007, Risk Management reports directly into the Senior Executive Vice President Operations, with the risk managers in the countries reporting directly into the Group Vice President Risk Management, shortening lines of command.

At the same time, new metrics have been implemented. As of 2007 country management is measured on actual write-offs and losses vs. targets set upfront.

Group Risk Management Committee

A Group Risk Management Committee, established in 2004, meets monthly to review the most significant and challenging contracts. The Committee is owned by the two Board members representing Functions and Operations. Permanent members of the Committee include several Vice Presidents with responsibilities in risk management. In addition, local risk managers are invited to attend the reviews of contracts owned in their geographic area. Once a year, the Audit Committee reviews in detail all the major contracts at risk, which are followed up either by the service line or the Risk Management Committee.

4.2. Market risks

Liquidity risk, cash flow interest rate risk, currency risk, market value of financial instruments, price risk and credit risk are described within the Financial Report section in this document.

4.3. Insurance

A variety of insurance policies are placed with reputable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of the global insurance programmes in 2007 represented approximately 0.21% of total Group revenue.

The most important global insurance programmes are bought and managed centrally at renewal on 1st January each year. In 2007 the Property Damage and Business Interruption policy and also the Professional Indemnity policy were both renewed for limits of EUR 150 million each. A variety of different policies cover other insurable business risks including but not limited to general liabilities, automobiles, employees, directors and officers and are maintained for adequate limits given the Group's size and potential exposures. Deductible retentions are used to both induce good risk management and to control the quantity of claims and level of premiums.

Each country also buys insurance policies in accordance with local regulations, custom and practice. These could include employers' liability, workers compensation and employee travel. A variety of other employee related insurance policies are maintained and these act both to protect and incentivise employees as part of employee benefits programmes.

Atos Origin's wholly-owned reinsurance company provides insurance for the first layer of the property and professional indemnity lines. It retains the first EUR 0.5 million of each property claim, subject to a EUR 2 million annual limit. It retains the first EUR 10 million of claims on the professional indemnity policy and co-insures some smaller low risk amounts.

Insurable losses are infrequent with an overall loss ratio (claims versus premiums) of about 33% over the last five years, much of it related to only one loss in 2004. This is partly due to quality risk management processes deployed at all key locations to protect assets from fire and other unexpected events as well as ensuring business continuity in the event of damage or loss. In bids and contracts a uniform and mandatory process of risk management is used where there is an annual contract value in excess of EUR 1 million. The process includes strict authorisation rules, risk registers and reporting to the monthly Risk Management Committee, whose members include all of the Management Board.

4.4. Claims and litigation

The Group continues to have a low level of litigation having regard to its size and turnover. In some countries, such as India and the Asia - Pacific countries, there is no litigation at all. In most of the other countries where the Group operates the litigations are both low in value and low in risk.

This low level of litigation has been achieved partly by self-insurance incentives, but also by the vigorous promotion of service quality and a fully dedicated Risk Management department in charge of monitoring contract bids and delivery, and providing early warning of potential issues and claims. All claims and potential claims are carefully monitored and managed at every stage. In the last year several of the most significant litigations and claims cases in the Group have been successfully resolved in Atos Origin's favour.

Some claims were made in 2006 by one company for services allegedly supplied to the Group in the past. After thorough investigation, it appeared that the corresponding alleged contracts had not been properly authorised and that claims are not legitimate. The claims have accordingly been denied, no payment has been made and the Group intends to dispute all proceedings.

One material dispute was notified in late 2004 in the United Kingdom for alleged non-delivery of a systems integration service. As a consequence, the particular contract was terminated by the client. The case was successfully resolved this year with all claims against Atos Origin being dismissed.

During 2007 a dispute arose with the United Kingdom Department of Health following the termination of the two planned regional diagnostic contracts. Each party has asserted claims against the other in connection with this termination. The parties are in mediation with a view to resolving the matter. Further details will be reported in a subsequent statement as appropriate.

A number of other claims and litigation have been identified and reviewed and are being carefully managed. Management considers that it has made adequate provision against all these cases. All litigations inherited from Sema Group have been successfully resolved, except a minor one.

At 31 December 2007, provisions recorded by the Group to cover identified litigation and claims amounted to EUR 90.1 million. To the knowledge of the Group there are no other current or threatened claims, governmental procedures, arbitration or litigation procedures that have had, or are likely to have, a material impact on the profitability or financial status of the Company or the Group.

4.5. Country

Atos Origin operates in approximately 40 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability. A substantial proportion of Atos Origin's business is in Western Europe, which is comparatively stable, and the geographic diversity of the Group's operations limits the risks relating to any one country.

4.6. Material contracts

There is no material contract, other than contracts entered into the ordinary course of business, to which the issuer or any member of the Group is a party, or entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the registration document.

5 CORPORATE GOVERNANCE

5.1. Report by the Chairman of the Supervisory Board

Dear Shareholders,

Pursuant to the last paragraph of article L. 225-68 of the Commercial Code, please find hereafter our report, based on the information available, which has been reported to us, on the conditions of preparation and organisation of the work of the Supervisory Board, including internal control procedures implemented by the Group.

5.1.1. Conditions of preparation and organisation of the work of the Supervisory Board

Atos Origin has a two-tier Supervisory and Management Board structure, which provides the necessary checks and balances to ensure that shareholders' interests are properly protected. Prior approval of the Supervisory Board is required for certain decisions as defined in articles 19.3 and 19.4 of the by-laws.

5.1.2. The Management Board

The Management Board is currently composed of the Chief Executive Officer and two Senior Executive Vice-Presidents. Their biographies can be found below. The composition of the Management Board reflects a balanced range of business, financial, human resources, marketing and international experience which Atos Origin believes is essential for the continued success of a global IT services business. The Management Board is responsible for the general management of the Group's business and meets as frequently as necessary. In 2007, the Management Board met thirty-four times. It reports to the Supervisory Board on a quarterly basis and on a case-by-case basis, according to the needs of the operations and meets with the Supervisory Board once a year for a full-day meeting dedicated to strategy, budget and business plans.

Subject to the provisions of articles 19.3 and 19.4 of the by-laws, the Management Board has full power and authority to represent the Group in its dealings with third parties. Although each of the members of the Management Board has specific executive responsibilities, all of its members are collectively empowered to manage the Group's business. In the case of split decisions, the Chairman of the Management Board has the casting vote.

Since January 2007, as part of the transformation plan, a Group Executive Committee has been created to help the Management Board to drive the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos Origin operational performance and the execution of the 3O3 programme on a monthly basis and define corrective action plans. It is a dedicated forum for operational management of the Group, the operational link between the Group and the Management Board, and it allows the Management Board to focus on developing the Group, including very high level customer relationships, negotiation of partnerships and alliances and development of specialised businesses.

The Executive Committee increases exchanges and collaboration between operations, services lines, sales and support functions.

The key members are the CEOs of the large countries and Atos Worldline, heads of Global Service Lines, heads of Group Sales and Markets, and heads of Group functions.

Name	Operational functions	Transversal functions
Philippe Germond	Chairman of the Management Board and Chief Executive Officer	
Eric Guilhou	Senior Executive Vice-President Global Functions	Finance, Human Resources, Processes and IT, Purchasing, Legal and Internal Audit
Wilbert Kieboom	Senior Executive Vice President Operations	Country operations, Service Lines (Consulting, Systems Integration and Managed Operations) and Sales

5.1.3. The Supervisory Board

The Supervisory Board is currently composed of six members who have a wide range of experience in terms of industrial, financial and general management, as a result of their background, education and executive positions held.

The Supervisory Board has written internal rules *(règlement intérieur)* that define the rules and responsibilities of the Supervisory Board and of its committees, which are described in more detail in this section. The Supervisory Board adheres to a Charter that is described in more detail later in this section. In accordance with article L. 225-68 of the Commercial Code, the Supervisory Board is in charge of controlling the Management Board and has no management powers. It also has certain specific powers described in articles 19.3 and 19.4 of the by-laws.

Its members are:

Name	Nationality	Age	Date of appointment	Committee member	Term of offices[a]	Number of actions held
Didier Cherpitel (Chairman)	French	63	2004	A,I,R,N	2009	1,000
Dominique Bazy	French	56	1997	A	2009	20
Diethart Breipohl	German	68	2005	R,N	2009	10
Jan P. Oosterveld	Dutch	63	2004	I, R, N	2007	10
Vernon Sankey	British	58	2005	I	2007	500
Michel Soublin	French	62	2004	A	2007	500

A: Audit Committee.
I: Investment Committee.
R: Remuneration Committee.
N: Nomination Committee.
(a) General Meeting of shareholders to approve the accounts of the year.

5.1.4. Independence of members of the Supervisory Board

The AFEP/MEDEF report of October 2003 defines a director as independent “when he/she has no relationship of any kind whatsoever with the corporation, its group or the management of either, that might colour his or her judgment”. The AFEP/MEDEF report also defines the various criteria that determine whether a director may be deemed to be independent as follows:

- the director is not an employee or corporate officer *(mandataire social)* of the Group, nor an employee or director of its parent or of one of its consolidated subsidiaries, and has not been one during the previous five years;
- the director is not a corporate officer of a company in which the Group holds, either directly or indirectly, a directorship, or in which a directorship is held by an employee of the Group designated as such or by a current or former (going back five years) corporate officer of the Group;
- the director is none of the following (whether directly or indirectly) a customer, supplier, investment banker or commercial banker – in each case:
  - which is material for the Group or its group, or
  - for which the Group or its group represents a material proportion of the entity’s activity;
- the director does not have any close family ties with a corporate officer of the Group;
- the director has not been an auditor of the Group over the past five years (article L. 822-12 of the French Commercial Code – formerly article L. 225-225);
- the director has not been a director of the Group for more than 12 years.

The above criteria have been reviewed by the Supervisory Board. On the above basis, five out of six members of the Supervisory Board are deemed to be independent, namely Messrs Cherpitel, Bazy, Breipohl, Sankey and Soublin.

While Mr Oosterveld does not meet all the independence criteria specified in the AFEP/MEDEF report (in view of the position he held at Philips until 2004), the Group believes that he is of sufficient stature and integrity as to ensure that his duties are carried out objectively and in the best interests of the Group and its shareholders.

5.1.5. Meetings

In accordance with the by-laws and internal rules, the Supervisory Board meets as frequently as necessary. A minimum of four meetings is held each year. During 2007, the Supervisory Board met twenty-two times. The members' rate of attendance was 85.7%. To encourage members to participate at meetings, 50% of the directors' fees paid for participation in the Supervisory Board are based on their attendance at the four principal meetings of the year and, from 2005 onwards, the amount not distributed to non-attending members is shared among the participants of the other Supervisory Board meetings held during the year.

In order to carry out its functions effectively, the Supervisory Board has asked the Management Board to provide regular and comprehensive information, in writing, on all significant matters relating to the operations of the Group.

During 2007 the Supervisory Board meetings dealt, inter alia, with the following subjects:

- a review and approval of the 2007 & 2008 budgets;
- the 3O3 Transformation Plan;
- reviews of the quarterly trading results, forecasts and commercial prospects. Review of financial press releases;
- a quarterly review of off-balance-sheet commitments and risks;
- a review of the 2006 and half-year 2007 accounts.
- divestments carried out during the year;
- major outsourcing deals concluded during the year;
- incentive plans for the top management of the Group and for employees.

In addition, the Supervisory Board met numerous times to deal with the following key and exceptional issues:

- the sale process initiated by the Management Board at the beginning of 2007, which was conducted under the strict control of the Supervisory Board, which reviewed regularly the process and which requested that industrial buyers be invited;
- the change in the composition of the Management Board required by the situation in which the Group was in June 2007, positioning Philippe Germond as the new chairman of the Management Board, including the new terms and conditions of compensation and functioning of the new Management Board;
- a business strategy review requested by the Supervisory Board from the Management Board based on the evolutions of the Group's markets, the inconclusive outcome of the sale process and the questions and suggestions made by certain shareholders of the Group. The Supervisory Board spent considerable time analysing proposals made by certain shareholders of the Group and the reports and documents prepared by the Management Board and its financial advisors, to ensure that actions that would be value creative for all the shareholders and compliant with the corporate interest of the Group be taken into account in the Management Board's strategic plan. The Supervisory Board created an ad hoc committee (composed of Messrs Didier Cherpitel, Diethart Breipohl and Vernon Sankey, all being independent) to ensure the dealings with certain shareholders of the Group and their specific proposals, which reported regularly to the Supervisory Board.

The Supervisory Board holds a one-day meeting each year dedicated to reviewing the strategy of the Group. This meeting is attended by Management Board members and discussions focus on the major IT business trends within each service line and geography, and Group business plans. In February 2007, this meeting focused specifically on the 2007 budget and transformation plan. The business strategy review referred to above led to another session at the beginning of 2008 during which the Management Board presented its strategy for 2008.

The Supervisory Board has established the following four committees:

- the Audit Committee;
- the Investment Committee;
- the Remuneration Committee;
- the Nomination Committee.

Members of these committees are appointed by the Supervisory Board from among its members. The committees' terms of reference are specified in the Supervisory Board's internal rules and the committees act in a consultative capacity, reporting to the Supervisory Board. Their recommendations are discussed at length during the sessions, together with related documentation.

5.1.6. The Audit Committee

The Audit Committee is currently composed of Messrs Bazy (Chairman), Cherpitel and Soublin. The Committee meets at least four times a year, including two times in the presence of the statutory auditors. The Committee met eight times in 2007 and the attendance rate of its members was 100%.

The Committee reviews the accounting policies used by the Management Board to prepare the Parent Company and Group consolidated financial statements and controls whether they are appropriate and consistently applied, and monitors the proper implementation of internal controls. It is kept informed of key risks, including major litigations and financial commitments. The Committee holds meetings with the Management Board member in charge of Global Functions, the Group Chief Financial Officer, the Group General Counsel, the head of Internal Audit and the statutory auditors. Following the decision taken to improve its supervision and review processes in 2006, the Committee held exchanges with the statutory auditors without the presence of the management of the Group.

The Audit Committee reviews the quarterly Group financial reporting package addressed to the Supervisory Board. It is regularly informed of the Group's financial strategy and its implementation. It is informed on the terms and conditions of significant contracts (including the risk management aspect of such contracts). It also regularly reviews the status of the major existing contracts delivered under the risk management programmes. The Committee examines the accounting and financial documents to be submitted to the Supervisory Board. It also receives report from the statutory auditors on their conclusions of their work. A specific session is held each year in addition to ordinary meetings, in order to review specific contracts engagements, major contracts risks and losses declared. Topics reviewed by the Audit Committee during the year included:

- Recurring matters:
  - the quarterly financial reporting package,
  - the statutory auditors' global audit plan,
  - the external audit fee budget,
  - internal control audit plans and recommendations,
  - provisions (including pension provisions), risks and undertakings,
  - material claims and litigation (including tax audits),
  - risk management reports for existing and new contracts,
  - implementation and updating of the delegation of authority and code of ethics;
- Specific matters:
  - the scope and impact of the 3O3 Transformation Plan,
  - the delivery progress of major contracts,
  - the Group Book of Internal Control,
  - financial reporting processes and organisation,
  - professional fees,
  - preparation of the external audit renewal for one of the statutory auditors.

In 2007, the Audit Committee reviewed the process for the selection of one auditor of the Group and its renewal.

5.1.7. The Investment Committee

The Investment Committee is composed of Messrs Oosterveld (Chairman), Cherpitel and Sankey. The Committee met five times during 2007. The attendance rate of its members was 93.3%.

The Committee reviews all proposed acquisitions, divestments and strategic developments that are likely to have a material impact on the Group's development and external growth. The Committee reviewed all divestment and joint-venture projects.

5.1.8. The Remuneration Committee

The Remuneration Committee is composed of Messrs Cherpitel (Chairman) Breipohl and Oosterveld. It meets at least once a year. During 2007, the Committee met six times and the attendance rate of its members was 100%.

The Committee is responsible for:

- making recommendations to the Supervisory Board concerning the fixed and variable remuneration, pension benefits, benefits in kind, free shares and stock subscription or purchase options awarded to the Chairman of the Supervisory Board and members of the Management Board. These recommendations are made regularly at the end of each financial year, on the basis of the Group's financial statements;
- determining the principal objectives to be included in the bonus scorecards of the Management Board for the coming financial year;
- making recommendations to the Supervisory Board for employee share ownership plans and management incentive schemes;
- making recommendations to the Supervisory Board for the amount of free shares and stock subscription or purchase options to be issued to Group employees.

The following principles (determined in 2004 and reviewed regularly on the basis of updated benchmarks) have applied in 2007 in determining the remuneration of the members of the Management Board:

- the remuneration package in 2007 is currently a combination of salary and free shares;
- total salary includes:
  - 40% fixed salary,
  - 40% variable annual bonus of which:
    - 50% (100% for the Chairman of the Management Board) is based equally on three financial criteria (*i.e.* external revenue growth, net income Group share and reduction in net debt),
    - 50% is based on individual objectives,
    - the financial and individual objectives are approved each year by the Supervisory Board,
    - bonus may exceed 100% (on target), with a maximum cap of 250% for the year 2007 only;
  - 20% long-term incentive based on achieving a rolling two-year target linked to cashflow elements. The incentive is triggered only if the two-year target is achieved at 100% minimum. Such incentive can exceed 100%, with a maximum of 300%. Long-term incentive

granted in free shares that are locked up for two years after target achievement;

- a Management Incentive Plan (MIP) through which free shares are granted, provided the Management Board member has invested in Atos Origin shares. Under the plan, a free share is granted against a share purchased, with a maximum of shares to be purchased which cannot exceed 500,000 euros *per annum*;
- 20% of free shares granted to the Management Board must be retained until the end of their mandate.

The Supervisory Board is reviewing these principles in order to refine the remuneration package, in order to better reflect the performance of the Management Board members.

In July 2007, the comprehensive remuneration package of Management Board members created in 2005, some elements of which came under the definition and were approved as related-party agreements *(conventions réglementées)* by the shareholders at the General Meeting of 23 May 2006, was reviewed and completed by the Supervisory Board, on the basis of a recommendation of the Remuneration Committee, as follows:

- the pension scheme at retirement up to 60% of the average annual fixed salaries over the last thirty-six months, after deduction of mandatory or other contractual pension benefits – including defined contribution benefits as applicable –, was implemented as of 1 January 2007 for the members of the Management Board and of the Group Executive Committee. Accrual of rights is quarterly, based on a fifteen year contribution. Contribution from start of service is with a fifteen year maximum retroactivity. A benefit to surviving spouse is an option at the discretion of the beneficiary, the related capital not being modified by this choice. The scheme also includes a defined-contribution aspect up to 5% of the annual gross salary limited to 5 times the annual French social security ceiling amount.

In 2007, in addition to the review of the principles described above, the Remuneration Committee reviewed and recommended:

- the implementation of the Long Term Incentive plan for the top management under which 168,658 free shares were granted under performance conditions;
- the implementation of the Management Incentive Plan for the top management under which 218,184 free shares were granted subject to conditions of presence in the Group and investment in Atos Origin shares through the vesting period;
- the implementation of the Employee stock purchase plan Sprint 2007, under which 693,439 new shares were issued;
- a welcome grant of 25,000 Stock subscription share options was authorised and implemented in 2007 to several new high level executives;
- a benchmark of the remuneration of Management Board members.

5.1.9. The Nomination Committee

The Nomination Committee is composed of Messrs Breipohl (Chairman), Cherpitel and Oosterveld. The Committee is responsible for recommending suitable candidates for appointment to the Supervisory Board should any vacancy arise. The Committee met twice in 2007, to review potential candidates to be proposed to the next shareholder's meeting.

5.1.10. Self-assessment of the Supervisory Board

In 2007, follow-up interviews and discussions were held with the assistance of the same external consultant as in 2005 and 2006.

The improvements defined during the self-assessment session of 2006, covering both the process and format of the meetings and the contents of decisions, as reported in last year's annual report, were implemented in 2007.

For 2008, the general direction reflected in recommendations for improvement defined in 2005 remains valid, especially for timely information of Supervisory Board members and for improved business information tools.

5.2. Internal Control

The internal control system designed within Atos Origin and described hereafter, has been established by reference with the internal control reference framework of the AMF *(Autorité des Marchés Financiers)*.

On top of the definition of the internal control (section 5.2.1), description of the components of the internal control (section 5.2.3) and internal control players (section 5.2.5), this report includes also a view on the context of internal control main initiatives performed this year within Atos Origin (section 5.2.2), and makes a specific focus on the internal control system related to the accounting and financial information (section 5.2.4).

The Chairman of the Supervisory Board has entrusted the preparation of the section of the Report by the Chairman of the Supervisory Board on internal control procedures to the Group Internal Audit Department. This preparation has been reviewed by the Management Board Member in charge of Global Functions. The information reported below has been extracted from this preparation.

5.2.1. Internal control definition and objectives

Internal control system designed throughout the parent company and its subsidiaries (together referred to as the "Group" or the "Company") aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by the Management Board;
- correct functioning of company's internal processes particularly those implicating the security of its assets;
- reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and in no event gives an absolute guarantee against these risks.

5.2.2. Internal control main initiatives of the year

At the end of 2006, the Group designed new governance with the creation of the Group Executive Committee and evolved to a matrix organisation in order to ensure a direct link between countries, operational lines, support functions and sales. As a result the 3O3 transformation plan was launched in 2007 (details are in the Business Activity Report, section 3 – Strategy, Organisation and Outlook). In line with this transformation plan and Atos Origin objectives over the coming years, major evolution took place in the Group organisation in 2007:

- strengthening of responsibilities of support functions Finance, HR and Legal, with now a dual reporting of the Country/Service Line functions to Group Functions and to Country CEO/Service Line leaders;
- centralisation of the Purchasing, Business Process & IT and Internal Audit functions.

These changes have been accompanied by a reinforcement of the internal control system materialised by the elaboration of a Book of Internal Control and the creation of an Internal Control function at group level:

- the Book of Internal Control is the Group framework addressing key internal control activities related to key processes (Finance and Treasury, Human Resources and Pensions, Legal, Purchasing, Internal IT, Communication, and controls over projects from bidding to post-delivery phases). Its objective is to provide a more comprehensive and standard internal control framework within the Group, in addition to the existing Group and local procedures & policies.

  Financial controls of this Book of Internal Control have been designed in compliance with the AMF Application Guide for Internal Control Procedures Related to the Accounting and Financial Information Published by the Issuers *(Guide d'application relatif au contrôle interne de l'information comptable et financière publiée par les émetteurs)*;
- the Internal Control function has been created within the Group Internal Audit Department. This function is to ensure the coordination of the implementation of the Book of Internal Control and its continuous improvement within the Group.

Each operating and support function at Group and at local levels is responsible for the correct application of the controls of the Book of Internal Control and Group and local management is responsible for the supervision of this application.

The design and communication phases of the Book of Internal Control have been completed in 2007. While the Book of Internal Control has been phased in over 2007, it will be fully deployed in 2008:

- the Book of Internal Control has been designed by Group process owners based on the Group risk mapping, on the existing Group and local procedures, and on workshops with Group and local staff. During the design phase, it was paid a particular attention to get controls proportionate to the risks on one hand, and to define an appropriate and sufficient documentation for each control activity on the other hand;
- the Book of Internal Control has been communicated by the Management Board to all managers within the Group. Internal control *"champions"* have been identified for each process and in main countries, and trained to be the relay of the local implementation of the Book of Internal Control. Presentations were made in Executive Committees of main subsidiaries to introduce the Book of Internal Control;
- the Book of Internal Control started to be deployed in 2007. A particular focus has been made on the application of controls related to reliability of accounting and financial information within the main countries.

The deployment plan started with a self-assessment process leading local Management to make a picture of their subsidiary on the level of control related to reliability of accounting and financial information. An audit has followed to check the reliability of the self-assessment and assess the level of implementation of controls.

5.2.3. Components of internal control system

Internal control system within Atos Origin is based on the following five components:

Control environment

The control environment is based on the matrix organisation structure of the Group including Operational Management (Countries) and Functional Management (Service lines, Sales and Markets and Support Functions).

The components of this organisation having an importance for the internal control system are the followings:

Deployment of a Code of Ethics

Atos Origin pays a particular attention to compliance with ethical rules in connection with the conduct of its operations. A Code of Ethics setting out the principles applicable to conflicts of interest, insider trading and business ethics has been prepared and adopted by the Management Board (see specific section on Code of Ethics).

A procedure has been developed to communicate this Code of Ethics to the executives of each of the Group's units and to ensure that they comply with the Code. This process is monitored by Group Legal and the Audit Committee is kept informed. The purpose of this procedure is to ensure that all persons entrusted with responsibilities are aware of the Group's standards in terms of integrity and legal compliance and agree in writing to abide by these principles.

Delegation of Authority

In 2007, Atos Origin updated procedures applicable throughout the Group setting out the authorisation of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The intention of these rules is to ensure efficient and effective management control from the country level to Management Board level. The delegation of authority policy is rolled-out under the supervision of the Group Legal department.

Attention to the respect of Segregation of Duty principles

Updated standards for segregation of duties have been implemented in the organisation. A programme started in 2006 to improve segregation of duties including functional review of segregation of duties and review of procedures for profiles attribution. Tooling has been used to perform automatic assessments of those standards in the systems.

Human Resource Management

A Group Human Resource management policy has been designed through the Global Capability Model (GCM) which is a standard for categorising jobs by experience and expertise across the Group. It helps employees in being aware of their responsibility through job description; it helps managers in recruitment and rewarding; and it helps the Operations in resourcing and budgeting. A Group Policy on bonus scheme completes this organisation by setting incentives for key managers.

For 2008, key human resource areas will be to develop more online human resource processes to support Atos Origin transformation plan and continue to provide the necessary HR tools and systems to allow managers to inform employees on important decisions impacting their responsibility area.

Information Systems

Group Business Process and Internal IT department is in place to provide common internal infrastructures and applications for Atos Origin staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory) or Communication (group websites and intranet). Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department.

Operating procedures

The Group has designed and implemented over the last years operating procedures to manage its key processes. These operating procedures are reviewed when necessary to be in line with the objectives of the Group. Some of these key operating procedures are described hereafter:

Bid management

To manage its commercial processes, the Group has a set of procedures and tools called Atos™ Rainbow. Rainbow provides a formal and standard approach to bid management, balancing sales opportunities and risk management for all types of opportunities, as well as continuous guidance and control for the decision-making process. Rainbow is the mean by which Atos Origin's management is involved in controlling and guiding the acquisition of the Group's contracts. Above specific thresholds Rainbow reviews are performed at Management Board level.

Coordination and implementation of the Rainbow process throughout the Group is ensured by Group Finance. The Rainbow process is facilitated through a governance model and defines Rainbow rules at Management Board, Global Service Lines, Group Functions and country levels. Global Service Lines and Group Functions are closely involved in this process and review all commercial bids that exceed certain thresholds. Rainbow process is supported by a formal change management process: in 2007, Rainbow has been updated in order to take into account the evolution of the Group's business environment, and in particular the increasing size and complexity of commercial opportunities. Controls performed on major contracts at Management Board level have been strengthened, integrated handover between bidding and delivery processes has been reinforced, levels of authorisation according to the delegation of authority policy have been reviewed, and finally management of the contracts database has been improved.

Pension Governance

Governance model has been implemented to manage pension topics including the creation of Group and Local Pension Steering Committees, and Group Pension Investment Committee. In 2007, Group Pension Steering Committee attended 3 times. Group pension policies (benefit design, asset management & transfer/outsourcing) have also been updated and communicated. Group Pension department (in dual reporting to Group HR & Group Finance) is in place to provide assistance to local operations in improving investment strategy, and to develop reporting and Group policy.

Investment Committee

Group Investment Committee aims to review and approve all purchases of tangible & intangible assets which are above countries thresholds including the financing associated and irrespective if the purchase is for an internal project or for a client. Group Investment Committee aims to assess the overall profitability of the investment with key performance indicators such as value creation, payback period or return on investment. This Committee is chaired by the Group CFO.

Payment & Treasury Security rules

These rules have been designed by the Group Finance Department to strengthen internal control on payment authorisation, means of payment, segregation of duties, and bank accounts management. Internal control strengthening has been materialised for example by the followings:

- review of authorisation thresholds;
- enhance security of payment mean with electronic data transfer;
- request of acknowledgement of receipts to the banks to ensure strict application of rules;
- maintain all bank accounts and signatories through a centralised database;
- creation of a Group Treasury and Security Committee to supervise the implementation of these rules. This Committee is chaired by the Group CFO.

Communication of relevant and reliable information

A dedicated intranet site is accessible to all employees which facilitates the sharing of knowledge and issues raised by the Atos Origin internal communities. This global knowledge management system promotes collaboration and allows efficient and effective information transfer.

Group procedures are available on this Global knowledge management system. Every employee has an access to its communities within the Global knowledge management system. Every time a procedure is updated or amended, an alert is given and the procedure is communicated by e-mail to a diffusion list preliminary prepared. The updated or amended procedure is then included in the Group knowledge management system to be available for all relevant employees. For new procedures, trainings or presentations are organised to train relevant staff or explain the procedure.

In 2007, the Book of Internal Control has been subject to a communication plan to ensure a proper dissemination within the Group.

System for risk management

A risk mapping has been carried out in 2005 with the objective of identifying key risks the Group is dealing with, and assessing the efficiency of procedures in place to mitigate these risks. In 2007, this still valid risk mapping was used in the design of the Book of Internal Control (design of control objectives facing key risks).

Some risks are also subject to a specific follow-up: operational risks on projects are managed by the Risk Management function (including a Group Risk Management Committee who meets monthly to review the most significant and challenging contracts), primary insurable risks including protection of Group assets (production sites and datacenters) and people are covered by insurance policies, managed at Group level by the Legal Department. These risks are detailed in the Financial and Legal Information report, section 4 – Risk Analysis).

Control activities

Key control activities are included in the Book of Internal Control (see description above).

Control activities are precise actions to be performed to cover control objectives (statements related to a significant risk to be covered).

In the Book of Internal Control, a control activity always includes:

- Control evidence which is the document formalising the control performed;
- Control owner which is the precise function in charge of performing the control; and
- Control frequency which is the event or the moment when the control has to be performed.

Control activities within the Book of Internal Control cover also the following topics:

- regarding HR and Pensions, control activities have been designed regarding to identify and manage evolutions of Labour laws in countries where the Group operates, treatment of payroll, control of employment contracts, recruitment and termination processes, authorisation mechanisms for compensation and benefits, objective and appraisal scheme, management of temporary staff and business expenses;
- regarding Legal, on top of the Delegation of Authority mentioned above, control activities have been designed on rules for customer contracts, trademarks, patents and domain names registration, insurance and corporate law;
- regarding the control of our business projects (Systems Integration and Managed Operations) from bidding to post-delivery, on top of the Bid Management process and Risk Management mentioned above, control activities have been designed on the handover from bidding to delivery, follow-up of risk register and action plans, resource management control, project financial review, monitoring of project execution and termination process for a project;
- regarding Purchasing, control activities have been designed on purchasing request authorisation process, key steps of procurement-flow, asset management rules and ethics for buyers;
- regarding Internal IT, control activities have been designed around protection and confidentiality of data and information including disaster recovery plans, security and access to the systems and networks;

- regarding Communication, designed control activities are related to internal communication of key messages as well as procedures and policies, preparation and disclosure of announcement, public relations, communication crisis plan, financial communication, and investor relations.

Regarding Finance and Treasury, the detailed control activities are described below.

Monitoring

Monitoring of internal control system includes the analysis of results of controls (identification and treatment of incidents) and the assessment of controls to ensure controls are relevant and appropriate with control objectives. This monitoring is the responsibility of the Group and Local Management.

Regarding the Book of Internal Control, Group and Local process owners have signed in 2007 a letter of representation to confirm their ownership and their responsibility in the implementation of this Book of Internal Control including its monitoring.

Internal Audit is responsible to assess the functioning of internal control system.

Internal Audit carries out reviews to ensure that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defines, in partnership with Group and Local management, action plans for continuously improving internal control processes.

Internal Audit coordinates the self-assessment process designed to help Local Management evaluate and continuously improve their internal control. This process is supported by internal audit reviews at local level, to assess internal control, check self-assessment reliability and follow-up corrective actions.

In 2007, Internal Audit carried out 45 audit assignments assessing the functioning of internal control system. All assignments have been finalised by the issuance of an audit report including action plans to be implemented by the related division or country. Among the audit assignments achieved in 2007:

- 4 countries within the Group have been audited through a full review of the operation of internal control on all the key processes. A follow-up was also performed on previous action plans;
- 7 divisions have been subject to a financial review. These divisions represent 40% of the external revenue of the Group.

5.2.4. Internal Control system related to the accounting and financial information

Group and local financial organisation

Group Finance Executive Committee includes main country chief financial officers and Group Finance functions and meets on a regular basis and is in charge of the overall monitoring of the process of preparation of the financial information. Significant accounting issues, as well as potential internal control deficiencies, are reported to this committee, which decides on the appropriate corrective actions to be carried out.

Group Finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is processed in the subsidiaries. These policies and procedures have been discussed with the statutory auditors before issuance and include the following main elements:

- Financial accounting policies include a Group reporting and accounting principles handbook applicable to the preparation of financial information. The handbook sets out how financial information must be prepared, with common presentation and valuation standards. It also specifies the accounting principles to be implemented by Atos Origin entities in order to prepare budget, forecast and actual financial reporting required for Group consolidation purposes. Group reporting definitions and internal guidelines for IFRS, and particularly accounting rules applicable in the Operations, are regularly updated. In 2007, a new Group chart of accounts has been deployed. An IFRS knowledge center is in place at Group level to assist and support local operations.

  The Closing File (included in the Book of Internal Control) is also a key financial tool which has been designed in 2007. It is required for each subsidiary to elaborate on a quarterly basis, a standard closing file formalising key internal controls performed over financial cycles and supporting closing positions. The Closing file will be fully deployed at local level in 2008;

- Financial reporting including budget, forecast and financial information by subsidiary is carried out in a standard format and within a timetable defined by formal instructions and procedures. Group Finance liaises with statutory auditors to coordinate the annual and half-year closing process.

  Since beginning of this year, financial information (operational reporting and statutory figures) is reported monthly through a unified reporting tool. Each subsidiary reports its financial statements on a standalone basis in order to be consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments are reported as part of the mainstream financial information and are examined by Group Finance;

- Functional reviews are performed by the Group support functions on significant matters relating to financial reporting, such as:
  - review of tax issues by the Tax Department,
  - review of pensions by the Pension Department,
  - review of litigations by the Legal Department,
  - review of off balance sheet items by the Treasury and Legal departments,
  - review of business performance and forecast by the Controlling department;
- Financial monitoring procedure: Group controlling is supporting Operations and Executive Committee in the decision making process by establishing a strong link with country management in financial analysis & monitoring, enhancing control & predictability of operations and improving the accuracy & reliability of information reported to the Group;
- Training and information sessions are organised regularly in order to circulate these policies and procedures within the Group. A dedicated intranet site is accessible to all accounting staff, which facilitates the sharing of knowledge and issues raised by members of the Atos Origin financial community;
- Representation letters: During the annual and half-year accounts preparation, the management and financial head of each subsidiary is required to certify in writing that they have complied with the Group's accounting rules and policies and that, to the best of their knowledge, there is, within their scope of responsibility, no major deficiency in the control systems in place within their respective subsidiary.

The review of the internal control procedures linked to the processing of financial information is a major component of the reviews conducted by the Internal Audit Department. The Internal Audit Department works together with Group Finance to identify the main risks and to focus its work plan as effectively as possible to control such risks.

5.2.5. Internal Control system players

The main bodies involved in the implementation of internal control procedures at Atos Origin are as follows:

Supervisory Board with Audit Committee

As defined in the previous section, the Supervisory Board has prepared corporate governance rules detailing the Board's role and the responsibility of its four committees. Those committees play a key role in the internal control system through their review and monitoring duties in a number of areas. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial information.

Management Board and Executive Committee

As defined in the previous section, the Management Board is responsible for the general management of the Group's business and focus on strategic aspects to develop the Group. As part of its role, the Management Board defines the framework of the system of internal control.

The Executive Committee has been created to drive the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos Origin operational performance and the execution of the 3O3 programme on a monthly basis and define corrective action plans. Management at different levels is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

Group functions

Group Finance has adjusted its existing governance model following the announcement of the transformation plan and the switch from a geographic to a matrix based organisation with a dual reporting structure. Group Finance contributes to improve monitoring and controlling of business operations, to create competition advantage to face business challenges and to optimise costs.

Group Finance receives financial information prepared by the subsidiaries, conducts regular checks and is responsible for the production of the Group's consolidated financial information. Group Finance responsibility includes consolidation and financial reporting, controlling, bidding control, treasury, tax and financial expertise (Pensions, Accounting standards and policies).

Group Human Resources manages people-related information and ensures the relevant level of skills and experience for each management position. Group HR responsibility includes among others: bonus score-card management, appraisals, HR reviews, and training.

Group Legal participates in the Group internal control by ensuring the design and the proper implementation of corporate and legal business governance and Group insurance, among others: delegation of authorities, control of Group guarantees and Code of Ethics.

Business Process & IT organisation has the role to drive standardisation, simplification and economies of scale through alignment of all key stakeholders requirements (Service line and support functions). Business Process & IT contributes to process standardisation and is responsible for the application and infrastructure integrity through a defined enterprise architecture that is aligned to the Atos Origin business model.

The centralisation of the purchasing function reinforces internal control and measurable margin impact. Unique procurement processes across the Group will standardise purchasing policies, procedures and tools, with reducing number of suppliers and volume concentration.

Each group function is responsible for the preparation and issue of the Group internal control policies and procedures related to their respective areas of responsibility, and in particular the implementation and maintenance of the Book of Internal Control including key controls in line with the current process and organisation. Local Management is responsible for the implementation of these policies and procedures and the monitoring of internal control.

Global service lines

Global Managed Operations, Global Consulting and Global System Integration ensure consistent delivery across the organisation and support sales & marketing in large/global deals. Internal control consists mainly in the validation of pricing on large or cross-border bids, capital expenditure and the monitoring of significant projects through the participation to risk management and investment committees. These internal controls are embedded in two functions: global risk manager and global controller.

Risk management

As defined in the previous section, Risk Management monitors, reviews and inspects the bidding, engaging in and the execution of contracts to achieve an optimum balance between risk and reward and identifies improvements in our operational processes, including controls where applicable.

Internal control

Internal control function has been created in 2007. This function is to ensure the coordination of the implementation of the Book of Internal Control and its continuous improvement within the Group. Internal control coordinates also all other initiatives of internal control.

Internal Audit

In 2007, the Internal Audit organisation has been centralised which allows working globally following one group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which has been validated by the Audit Committee.

The Audit Committee also receives regular reports on the Internal Audit work plan, objectives and findings. The internal audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

5.2.6. Outlook and related new procedures to be implemented

In 2008, the Group will continue to improve its internal control system. Developments are planned in accordance with the 3O3 initiatives detailed previously.

The Internal Audit Department will pursue the internal review programme initiated in 2007. In line with the planned development of the internal control system of the Group, Internal Audit plans to pursue its focus on the implementation of the Book of Internal Control. In parallel with the continuation of the self-assessment process on financial internal controls, the Internal Audit team will continue to reinforce control and verification of financial information.

Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group. However, it should be noted that internal control cannot provide an absolute guarantee that the Group’s goals in this respect will be achieved and that all risks will have been completely eliminated.

Didier Cherpitel

Chairman of the Supervisory Board

5.3. Auditors' report prepared in accordance with the last paragraph of article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board of Atos Origin with respect to the internal control procedures for the preparation and treatment of financial and accounting information

Dear Shareholders,

As statutory auditors of Atos Origin and in accordance with the provisions of Article L. 225-235 of the French Code of Commerce, we hereby report to you on the report prepared by the Chairman of your Company, in accordance with Article L. 225-68 of the French Code of Commerce for the year ended 31 December 2007.

The Chairman is required to report to you in particular on the conditions under which the work of the Supervisory Board is prepared and organised, and on internal control procedures implemented within the Company.

It is our responsibility to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and treatment of the accounting and financial information.

We conducted our review in accordance with the professional standard applicable in France. This standard requires us to plan and perform our procedures to assess the fairness of the information set forth in the Chairman's report on the internal control procedures relating to the preparation and treatment of accounting and financial information. These procedures mainly consist in:

- Obtaining an understanding of the internal control procedures relating to the preparation and treatment of financial and accounting information underlying the information presented in the Chairman's report and the existing documentation;
- Obtaining an understanding of the work performed in the preparation of this information and existing documentation;
- Determining if any significant weaknesses in the internal control procedures relating to the preparation and treatment of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have no comment to make on the description of the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, set forth in the report of the Chairman of the Supervisory Board, prepared in accordance with the provisions of Article L. 225-68 of the French Code of Commerce.

This is a free translation of the original French text for information purposes only.

Paris and Neuilly-sur-Seine, 8 April 2008

The statutory auditors

Grant Thornton

French member of Grant Thornton International

Daniel Kurkdjian

Vincent Papazian

Deloitte & Associés

Jean-Paul Picard

Jean-Marc Lumet

5.4. Codes and charts

5.4.1. Code of Ethics

Atos Origin is committed to conducting its business in an ethical manner. Accordingly, it has issued a Code of Ethics to all employees, requiring them to act honestly, fairly and with integrity in their day-to-day work and in accordance with the legal framework in force in each country where Atos Origin is conducting business.

All members of the Management Board, senior managers and key employees are required to disclose in writing to the Group any shareholding or financial interest in the affairs of its suppliers, associates or competitors. The aim of this policy is to avoid conflicts of interest and to protect the Group and its management. All management and key personnel are required to accept the Code of Ethics in writing.

Conflicts of interest

The Code of Ethics is designed to prevent employees (or members of their family) from benefiting indirectly from transactions or associations with third parties.

Bribery and corruption

Atos Origin will not tolerate any form of bribery or corruption. Bribery is defined as the giving of money or some other form of benefit in order to obtain a commercial advantage. Corruption occurs where a dishonest or illegal practice undermines Atos Origin's business integrity or its assets.

General business integrity

The basic principles of Atos Origin's ethical business policy are that:

- all Atos Origin employees should be treated equally on the basis of their merits and qualifications, regardless of race, nationality, sex, age, handicap or any other distinctive trait;
- all Atos Origin employees should abide by the laws and regulations of the countries in which the Group operates;
- no employee should improperly influence a political candidate, elected official or government official in the exercise of his/her functions;
- no employee should take part in an agreement that could contravene the applicable laws and regulations concerning anti-competitive practices.

5.4.2. Insider trading code

The unauthorised use or publication of inside or confidential information can distort the market for Atos Origin securities. Accordingly, in order to ensure that there is a fair and open market in Atos Origin securities, the Group's policy is to publish material information to investors and shareholders regarding its activities immediately it becomes known and under conditions that are equal for all. The Group requires all senior managers, or employees having access to critical information ("relevant employees") to follow insider trading rules and regulations.

Inside information

Inside information is classified as information having an impact on a decision of whether to buy, sell or retain any Atos Origin securities, therefore distorting the market. The unauthorised use or communication of inside information is strictly prohibited and constitutes a legal offence. Such offences are liable to criminal, regulatory (*Autorité des Marchés Financiers*, French Exchange Commission) and civil sanctions. Accordingly, no employee may discuss or divulge any inside information to third parties or deal in Atos Origin securities when he/she is in possession of any inside information.

Dealings during closed periods

"Relevant employees" may not deal in Atos Origin securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos Origin's annual and half year financial statements and four weeks prior to publication of Atos Origin's first and third quarter revenues.

"Relevant employees" include (i) all directors and/or officers and/or managers of companies within the Atos Origin Group and their direct subordinates and assistants who have access to inside information; (ii) any key employee specifically designated as such by the Management Board to sign the Code of Ethics; and (iii) any employee who is likely to be in possession of unpublished price-sensitive information concerning Atos Origin SA and its subsidiaries. The above limitation on dealing in Atos Origin securities does not apply to the exercise by employees of stock options granted by Atos Origin in the course of their employment. The limitation does apply however to the sale of resulting shares.

Dealings in Atos Origin options

Employees are forbidden to negotiate any protection against fluctuations in the potential capital gain to be obtained from Atos Origin stock options or free shares granted by Atos Origin to an individual in the course of their employment (whether through a call, a put or otherwise), except if expressly authorised by the Management Board.

Clearance to deal

Even outside closed periods, relevant employees may not deal in Atos Origin securities, whether directly or indirectly, without obtaining the prior approval of the Chairman of the Management Board. This does not apply to the exercise (not followed by a sale) by employees of stock options granted by Atos Origin in the course of their employment.

5.4.3. Charter of Supervisory Board members

The Supervisory Board has approved the text of a Charter which summarises the mission and obligations of each Supervisory Board member, covering in particular the following points: Company interests, attendance, diligence, fairness, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members.

Election to office

Before accepting their mandate, each Board member must declare that they have understood the requirements of their position, the applicable laws and regulations, the by-laws of the Group, the internal regulations of the Board and this charter. Each Board member must own in their own name at least ten nominee shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

Defending the interests of the Group

Each Board member must act at all times in the interest of the shareholders and of the Group.

Conflicts of interest

The Atos Origin "Code of Ethics" prohibits any Board or staff member from having a conflict of interest between their personal and corporate responsibilities. Board members must inform the Board and the Group immediately they become aware of any actual or potential conflict of interest. The Board member must then participate in a review of that conflict by the Board as a whole, but must abstain from taking part in any vote taken on the subject.

Attendance – Diligence

By accepting their mandate, each Board member agrees to spend the necessary amount of time and care in performing their duties and must comply with legal regulations applying to the number of director mandates. Except in unavoidable circumstances, each Board member must attend all Board meetings and the meetings of all Board committees to which they belong. Each Board member agrees to resign upon the request of the Board if the Board considers that they are no longer in a position to comply with their duties.

Fairness

Each Board member must behave fairly towards the Group. They must not in any way cause damage to the Group or to any other entity within the Atos Origin Group. They must also inform the Board of any third party action or involvement of which they are aware, which may cause damage to the Group.

No Board member may take a position or financial interest in an entity or business which is in competition with the Group without informing the Board prior to accepting such position or interest and explaining to the Board how such position or interest would be compatible with the Group's interests. In the event that the Board concludes such position or financial interest is incompatible with the Board member's role in Atos Origin, they must agree to relinquish that role or divest their financial interest immediately.

Independence

Each Board member agrees in all circumstances to represent the interests of the shareholders of Atos Origin by applying independent judgment in their decision-making and rejecting partisan pressure of any kind, whatever its source. Each Board member agrees not to seek or accept from the Group or from any of its affiliates, whether directly or indirectly, any personal advantage that may hinder their independence of judgment.

Confidentiality

Each Board member must keep strictly confidential any information that has not been publicly disclosed of which they have been informed or become aware during their mandate, as well as the contents of discussions and votes of the Board and of its committees.

No Board member may comment on or disclose Group information to a third party, especially to newspapers and news agencies, without the prior agreement of the Chairman of the Board.

Inside information and trading in the Group's shares

Board members may not trade in the Group's shares other than within the limits of the insider trading and confidential information rules established by the Group. The Group prohibits trading in its shares especially during closed periods prior to the announcement of its annual and half-year results and quarterly revenue performance. Board members must inform the Group of any dealings in the shares of the Group within five days of executing the transactions, in order that the Group may comply with its relevant filing requirements, notably to the French stock exchange regulatory authority – the *Autorité des Marchés Financiers*.

Information of Board members

The internal regulations of the Board define the timing and manner by which Board members will be provided with information prior to a meeting. Unless exceptional circumstances or confidentiality requirements prevent such distribution, the members of the Supervisory Board will be provided with sufficient documentation and analysis of all projects and other agenda items that are scheduled to be discussed adequately in advance of its meetings. Each Board member must carefully review the information sent to them in order to be able to intervene as appropriate when such information is considered by the Board.

If a Board member considers that he or she has not received full and adequate information on a subject before being given the opportunity to vote, they must immediately inform the Board and request the information or documents necessary.

5.5. Directors' remuneration and interests

5.5.1. Directors' remuneration

Total remuneration of the members of the Atos Origin Management Board and Supervisory Board in 2007 was EUR 9.8 million, including EUR 0.3 million in directors' fees.

The summary below presents information on total gross remuneration before taxes of the members of the Management Board relating to 2007 (basic salaries, variable salaries on a provisional basis, long term incentives on a provisional basis and fringe benefits). No directors' fees were paid in 2007 for Management Board members. The summary below does not include indemnity resulting from the termination of Management Board mandates.

(in EUR) Management Board	2007 Total	2007 Fix Salary	2007 Variable salary[(a)]	2007 Long-term incentive[(b)]	2007 Fringe benefits[(c)]	2006 Total	2007 Cash payment[(d)]	2006 Cash payment[(d)]
Philippe Germond[(f)]	2,343,737	787,500	1,550,000		6,237	56,250	794,117	56,250
Eric Guilhou	1,860,575	530,000	1,325,000		5,575	581,386	611,326	1,595,986
Wibert Kieboom	2,016,781	529,583	1,325,000		162,198	887,461	1,164,538	1,971,461
Previous members								
Bernard Bourigeaud[(i)]	2,507,144	900,000	900,000	450,000	257,144	1,154,591	2,057,144	3,106,591
Dominique Illien[(e)]	220,833	220,833	-	-		509,236	220,833	1,668,236
Xavier Flinois[(h)]	79,964	79,964	-	-		682,258	87,657	1,835,223
Giovanni Linari[(g)]			-	-		473,964		1,311,059

The basis for remunerating members of the Management Board (excluding fringe benefits) is described in the paragraph "The Remuneration Committee" within the Corporate Governance section of this document.

(a) 2007 variable salary corresponds to the amount decided by the Supervisory Board on 4 March 2008. Such amount was recorded as an accrual in the 2007 income statement and corresponds for Philippe Germond to 150% of the latest nominal salary based on the financial targets to which an exceptional bonus of EUR 200,000 was added. For Eric Guilhou and Wilbert Kieboom, the 2007 variable salary corresponds to 250% based on the nominal on the financial target (which represent 50% of the total) and 250% of the individual targets (which represent 50% of the total).

(b) Long-term salary based incentive is based on achieving a rolling two-year target based on cash flow. Long-term incentive is triggered only if the two-year target is achieved at 100% minimum. Long-term incentive should be paid in free shares. Due to the implementation of the Long-Term Incentive plan for the first time in 2007, first achievements will be triggered in 2008 with the cumulative 2007 and 2008 financial targets. The long-term incentive of Bernard Bourigeaud was paid in cash in 2007.

(c) Atos Origin includes in total remuneration all benefits in kind (including certain insurance policies, pension benefits, expatriate benefits) which are applied for certain members of the Management Board. Such fringe benefits are usually recorded in income statement and paid in the course of each year. Each of the individual remuneration amounts described above has been approved by the Supervisory Board.

(d) The total amount paid in 2007 represents the salary and fringe benefits relating to 2007 and the variable salary relating to 2006, recorded as accruals in 2006 and paid in 2007 except the amounts paid for termination indemnity and long term incentive. The total amount paid in 2006 represented the salary and fringe benefits relating to 2006 and the variable salary relating to 2005, recorded as accruals in 2005 and paid in 2006 except the amounts paid for termination indemnity and long term incentive.

(e) Dominique Illien was a member of the Management Board until 31 May 2007, on which date he left the Group. He received an indemnity payment of EUR 1.8 million, further to the termination of all his mandates. A payment of EUR 0.2 million is also due on 31 December 2008, in exchange for non-solicitation commitments.

(f) Philippe Germond became a member of the Management Board as of 1 December 2006. Director's fees for his participation to the Supervisory Board in 2006 are reported in the table below.

(g) Giovanni Linari was a member of the Management Board until 18 January 2007, on which date he left the Group. He received an indemnity payment of EUR 2.6 million, in application of his Italian employment contract. This indemnity includes a specific payment of EUR 0.4 million related to pension as described in the paragraph "Remuneration Committee" of this section.

(h) Xavier Flinois was a member of the Management Board until 25 January 2007, on which date he left the Group. He received an indemnity payment of EUR 3.3 million, in application of his employment contract in the United Kingdom. This indemnity includes a specific payment of EUR 0.7 million related to pension as described in the paragraph "Remuneration Committee" of this section.

(i) Bernard Bourigeaud was Chairman of the Management Board until 30 September 2007 and a member of the Management until 31 December 2007, on which date he left the Group. He received an indemnity payment of EUR 4.5 million, further to the termination of all his mandates and in exchange for non-solicitation and non-exercise of a competing activity commitments. Amounts disclosed in (a) and (b) were paid in cash to Bernard Bourigeaud in 2007.

The Supervisory Board decided to maintain part of the stock options granted the Management Board members who left the Company in 2007.

As detailed in the paragraph "The Remuneration committee" within the Corporate Governance section of this document, the Annual General Meeting has approved on 23 May 2006, through its 5th resolution, the principle of a pension scheme for Management Board members.

On 24 July 2007 the Supervisory Board has decided to implement the plan rules of that pension scheme, which includes external insurance of related Group obligations with reputable insurance carriers. Following the implementation of this plan, the defined benefit obligation is estimated at EUR 10.4 million as at 31 December 2007. After the payment of an insurance premium for EUR 7.3 million in 2007, and given in particular that past service costs will be recognized starting from 1 January 2008, the related pension accrual is a prepaid pension cost (a pension asset) of EUR 0.4 million as at 31 December 2007.

There is no termination payment or additional pension package for any member of the Management Board other than those specifically disclosed in the paragraph "Remuneration Committee" of this section which fall under the definition of a regulated agreement according to article L. 225-90-1 of the French Commercial Code.

(in EUR) **Supervisory Board**	**2007 Total**	**2007 Remuneration**	**2007 Directors' fees[(a)]**	2006 Total	**2007 Cash payment[(b)]**	2006 Cash payment[(b)]
Didier Cherpitel	513,592	450,000	63,592	204,277	426,777	205,268
Diethart Breipohl	40,416	-	40,416	29,277	29,277	11,131
Dominique Bazy	54,523	-	54,523	49,277	49,277	49,390
Jan P. Oosterveld	51,904	-	51,904	44,277	44,277	45,268
Vernon Sankey	36,696	-	36,696	26,222	26,222	-
Michel Soublin	47,648	-	47,648	38,666	38,666	39,390
Previous members						
Philippe Germond[(c)]	-	-	-	35,541	35,541	38,512
Jean-François Théodore	5,357	-	5,357	22,458	22,458	29,509
Alain Le Corvec	-	-	-	-	-	13,631
Gerard Ruizendaal	-	-	-	-	-	17,887

(a) Directors' fees relating to 2007 have been recorded as accruals in 2007 and will be paid in 2008.
(b) The total amount paid in 2007 represented the remuneration relating to 2007 and the directors' fees relating to 2006, recorded as accruals in 2006 and paid in 2007. The total amount paid in 2006 represented the remuneration relating to 2006 and the directors' fees relating to 2005, recorded as accruals in 2005 and paid in 2006.
(c) Until 31 October 2006.

No loans, advance payments or guarantees have been granted to any Supervisory Board or Management Board member.

5.5.2. Directors' interests

The ownership of the Group's shares by members of the Management and Supervisory Boards at 31 December 2007 was as follows:

	Number of shares			Number of shares	
Management Board	**FY07**	FY06	**Supervisory Board**	**FY07**	FY06
Philippe Germond	10,959	50	Didier Cherpitel	1,000	1,000
Eric Guilhou	28,785	17,810	Dominique Bazy	20	20
Wilbert Kieboom	4,065	4,065	Diethart Breipohl	10	10
			Jan P. Oosterveld	10	10
			Vernon Sankey	500	500
			Michel Soublin	500	500
Total	**43,809**	**21,925**	**Total**	**2,040**	**2,040**
Previous members					
Bernard Bourigeaud	93,371	62,396	Jean-François Théodore	NA	10
Dominique Illien	NA	37,277			
Xavier Flinois	NA	5,565			
Giovanni Linari	NA	9,637			

The Group is required to report immediately to the *Autorité des Marchés Financiers* (AMF) all transactions in the shares of the Group by members of the Supervisory and Management Boards. The rules on insider trading detailed in the "Code of Ethics" section of this document also apply to such transactions.

5.5.3. Stock subscription options

In 2007 no stock subscription or stock purchase options were granted to members of the Management Board by the Group or its associates. A special report is part of the "Management Board's Report to the Annual General Meeting pursuant to article L. 225-184 of the Commercial Code", as set out in this document.

The ownership of stock subscription options by members of the Management Board and their conditions of exercise at 31 December 2007 were as follows:

	Date of issue	Number at 31 Dec. 2006	granted 2007	exercised 2007	cancelled 2007	31 Dec. 2007 Number at	Strike price (in EUR)	Market price at date of sale	Exercise period start date	Exercise period end date
P Germond	01/12/06	50,000	-	-	-	50,000	43.87		01/12/09	01/12/16
E Guilhou	10/12/97	5,000	-	-	5,000	0	57.29		10/12/02	10/12/07
	08/12/98	6,000	-	-	-	6,000	94.80		08/12/03	08/12/08
	30/11/99	7,500	-	-	-	7,500	134.55		30/11/04	30/11/09
	18/12/00	40,000	-	-	-	40,000	78.27		18/12/04	18/12/10
	18/12/00	10,000	-	-	-	10,000	78.27		18/12/04	18/12/10
	01/07/02	10,000	-	-	-	10,000	62.32		01/07/06	01/07/12
	27/03/03	15,491	-	-	-	15,491	25.92		27/03/07	27/03/13
	09/02/04	30,000	-	-	-	30,000	54.14		09/02/08	09/02/14
	10/01/05	35,000	-	-	-	35,000	49.75		10/01/09	10/01/15
	29/03/06	35,000	-	-	-	35,000	59.99		29/03/10	29/03/16
W Kieboom	18/12/00	40,000	-	-	-	40,000	78.27		18/12/03	18/12/10
	18/12/00	1,500	-	-	-	1,500	78.27		18/12/03	18/12/10
	01/07/02	10,000	-	-	-	10,000	62.32		01/07/05	01/07/12
	27/03/03						25.92	49.94	01/01/05	27/03/13
	27/03/03						25.92	52.50	01/01/05	27/03/13
	09/02/04	30,000	-	-	-	30,000	54.14		01/01/06	09/02/14
	10/01/05	35,000	-	-	-	35,000	49.75		10/01/08	10/01/15
	29/03/06	35,000	-	-	-	35,000	59.99		29/03/09	29/03/16
Previous members										
B Bourigeaud	10/12/97	20,000	-	-	20,000	0	57.29		10/12/02	10/12/07
	08/12/98	20,000	-	-	-	20,000	94.80		08/12/03	08/12/08
	30/11/99	20,000	-	-	-	20,000	134.55		30/11/04	30/11/09
	18/12/00	60,000	-	-	-	60,000	78.27		18/12/03	18/12/10
	18/12/00	20,000	-	-	-	20,000	78.27		18/12/03	18/12/10
	01/07/02	15,000	-	-	-	15,000	62.32		01/07/05	01/07/12
	27/03/03	20,000	-	20,000	-	0	25.92	42.84	01/01/05	27/03/13
	09/02/04	40,000	-	-	-	40,000	54.14		01/01/06	09/02/14
	10/01/05	47,500	-	-	-	47,500	49.75		10/01/08	10/01/15
	29/03/06	55,000	-	-	-	55,000	59.99		29/03/09	29/03/16
D Illien	10/12/97	12,000	-	-	12,000	0	57.29		10/12/02	10/12/07
	08/12/98	10,000	-	-	-	10,000	94.80		08/12/03	08/12/08
	30/11/99	10,000	-	-	-	10,000	134.55		30/11/04	30/11/09
	18/12/00	40,000	-	-	-	40,000	78.27		18/12/04	18/12/10
	18/12/00	10,000	-	-	-	10,000	78.27		18/12/04	18/12/10
	01/07/02	10,000	-	-	-	10,000	62.32		01/07/06	01/07/12
	27/03/03	15,164	-	15,164	-	0	25.92	45.50	27/03/07	27/03/13
	09/02/04	30,000	-	-	-	30,000	54.14		09/02/08	09/02/14
	10/01/05	35,000	-	-	-	35,000	49.75		10/01/09	10/01/15
	29/03/06	35,000	-	-	-	35,000	59.99		29/03/10	29/03/16
G Linari	09/02/04	100,000	-	-	-	100,000	54.14		01/01/06	09/02/14
	10/01/05	27,500	-	-	-	27,500	49.75		10/01/08	10/01/15
	29/03/06	35,000	-	-	-	35,000	59.99		29/03/09	29/03/16
X Flinois	09/02/04	100,000	-	-	-	100,000	54.14		01/01/06	09/02/14
	10/01/05	27,500	-	-	-	27,500	49.75		10/01/08	10/01/15
	29/03/06	35,000	-	-	-	35,000	59.99		29/03/09	29/03/16
Total		**1,245,155**		**35,164**	**37,000**	**1,172,991**				

5.5.4. Free share grants

In 2007, 29,958 free shares or free shares equivalent (for a total maximum of 89,872 shares) were granted on 17 May 2007 and 32,868 free shares were granted on 18 June 2007 to the members of the Management Board by the Group or its associates, further to the Long Term Incentive Plan and the Management Investment Plan respectively. 20% of these free shares must be retained by the members of the Management Board until the end of their mandate. The stock price at grant date was EUR 43.98 and EUR 45.64 respectively. A special report is part of the "Management Board's report to the Annual General Meeting pursuant to article L. 225-197 of the Commercial Code", as set out in this document.

6 RESOLUTIONS

6.1. Observations of the Supervisory Board

In accordance with the law, the Management Board has presented to the Supervisory Board the consolidated financial statements of the Atos Origin Group, Management's Discussion and Analysis of the Group's activities and financial results for the period ended 31 December 2007, and the parent company financial statements for the same period.

The Supervisory Board has reviewed the financial statements, the Management Discussion and Analysis and the text of the resolutions that are to be presented to the Annual General Meeting. The Supervisory Board is satisfied that these statements describe accurately the performance of the Group for the year ended 31 December 2007 and set out the financial position of the Group at that date.

6.2. Proposed resolutions to be submitted to the Annual General Meeting

Resolutions submitted to the shareholders will be published in the *Bulletin des Annonces Légales Obligatoires* (official legal gazette for listed companies) and will be posted on the Atos Origin website (investors' section), as required by laws and regulations (*i.e.* at least 35 days before the shareholders' meeting).

6.3. Management Board's reports to the Annual General Meeting pursuant to article L. 225-184 of the Commercial Code

Dear Shareholders, we hereby inform you that no stock subscription or stock purchase options were granted to members of the Management Board during the fiscal year.

The following stock subscription options were exercised by members of the Management Board during the fiscal year:

Name	Date	Number of stock subscription options exercised	Subscription price (in EUR)
Bernard Bourigeaud	03/08/07	20,000	25.92

The total number and weighted average price of stock subscription options granted during 2007 by the Group to the ten employees of all associated companies and groupings (as defined by article L. 225-180) who received the greatest number of stock subscription options, were as follows:

Number of stock subscription options granted	Weighted average price (in EUR)
25,000	40.35

The total number and weighted average price of options in the Group's stock exercised during 2007 by the ten employees of all associated companies and groupings (as defined by article L. 225-180) who exercised the greatest number of stock subscription options, were as follows:

Number of stock subscription options exercised	Weighted average price (in EUR)
22,317	25.92

6.4. Management Board's reports to the Annual General Meeting pursuant to instruction n°2006-05 of 3 February 2006 to disclose transactions on dealing with shares of the Company

Name	Number of shares acquired	Date	Acquisition/exercise price (in EUR)
Philippe Germond	10,909	15/06/07	45.64
Eric Guilhou	10,975	14/06/07	45.56
Previous members			
Bernard Bourigeaud	10,975	14/06/07	45.56
	20,000	03/08/07	25.92

These share transactions were acquisitions of shares further to the Management Investment Plan or the exercise of stock options. Shares corresponding to the Management Investment Plan should be held for two years, in order to meet the conditions defined in the Plan.

6.5. Management Board's reports to the Annual General Meeting pursuant to article L. 225-197 of the Commercial Code

Dear Shareholders, we hereby inform you that the following free shares were granted during the fiscal year to members of the Management Board by the Group or its associates:

Name	Grant date	Number of shares	Stock price on date of grant (in EUR)
Philippe Germond	17/05/07	7,674 (maxi 23,022)	43.98
	18/06/07	10,956	45.64
Eric Guilhou	17/05/07	6,026 (maxi 18,077)	43.98
	18/06/07	10,956	45.64
Previous members			
Bernard Bourigeaud	17/05/07	10,232 (maxi 30,696)	43.98
	18/06/07	10,956	45.64

We also inform you that Wilbert Kieboom, Management Board member, has received on 17 May 2007 6,026 (*i.e.* a maximum of 18,077) free share equivalent, whose stock price on date of grant was EUR 43.98 per share.

The total number and weighted average stock price of free shares granted during 2007 by the Company to the ten employees of all associated companies and groupings (as defined by article L. 225-180) who received the greatest number of free shares, were as follows:

Number of free shares granted	Weighted average stock price (in EUR)
37,248	44.93

7 LEGAL INFORMATION

7.1. Corporate form and purpose

- Company name (article 3 of the by-laws): Atos Origin
- Legal form (article 1 of the by-laws): Limited Liability Company *(société anonyme)* with a Management Board and Supervisory Board, governed by articles 210-1 *et seq.* of the French Commercial Code.
- Corporate purpose (article 2 of the by-laws): Information processing, systems development, technical, consulting and support services, research, development, production and sale of products and services that contribute to the promotion or development of data automation and transmission systems, including the design, application and installation of software and data processing, online data transfer and office automation systems.
- Nationality: French.
- Registered office and principal place of business (article 4 of the by-laws): 18, avenue d'Alsace – 92926 Paris La Défense, France.
- Registered in Nanterre under Siren number 323 623 603.
- Business identification code (APE code): 7010Z.
- Date of incorporation: 1982.
- Term: up to 2 March 2081.
- Fiscal year (article 27 of the by-laws): 1 January to 31 December.
- Common stock as at 31 December 2007: The Company's common stock amounted to EUR 69,710,154 divided into the same number of shares with a par value of EUR 1.00 each.

7.2. Provisions of the by-laws

7.2.1. Members of the Supervisory Board (article 17-3 of the by-laws)

Each member of the Supervisory Board is required to own at least 10 Atos Origin shares.

7.2.2. Shareholder meetings (article 24 of the by-laws)

All shareholders are entitled to attend Shareholder meetings, regardless of the number of shares held. Meetings are called by means of a notice published in a newspaper authorised to carry legal announcements in the department where the Group has its principal place of business and in the *Bulletin des Annonces Légales*. In addition, a notice is sent directly to all holders of registered shares.

Shareholders are required to present evidence of the ownership of their shares at the time of the meeting. To comply with this requirement, registered shares must be recorded in the shareholder's name in the account maintained by or on behalf of the Group at least three business days prior to the meeting. Holders of bearer shares are required to deposit with the Group, at least three business days prior to the meeting, a certificate issued by their bank or broker confirming that the shares have been recorded in the bearer shares' accounts of the bank or broker. Shareholder meetings are held at the Company's principal place of business or at any other location specified in the notice of meeting.

7.2.3. Voting rights (article 24-4 of the by-laws)

Each share carries one vote only. No shares carry double voting rights.

7.2.4. Voting rights (article 24-4 of the by-laws)

Net income for the year less any losses brought forward from prior years is appropriated as follows:

- 5% to the legal reserve;
- to other reserves required by law;
- to revenue reserves, if appropriate.

7.2.5. Disclosure of thresholds provided for in the Group's by-laws (article 11-3 of the by-laws)

The by-laws require disclosure to the Group, within ten days, of the acquisition (or sale) of 1% of the Group's common stock or any multiple thereof, except in cases where the total interest represents less than 5%. Disclosure must be made in accordance with the provisions of article L. 233-7 of the Commercial Code, subject to the sanctions applicable in the event of non-disclosure (see article L. 233-14 of the Commercial Code). These provisions were adopted at the Extraordinary General Meetings on 16 December 1993 and 28 January 1997.

7.2.6. Information concerning the identity of holders of bearer shares (article 11-2 of the by-laws)

The Group is entitled, at any time, to request Euroclear to disclose the identity of holders of bearer shares.

7.3. Other commitments

Commitments with shareholders are described in the "Investor Information" section of this document.

7.4. Management Board

Chairman of the Management Board

Philippe Germond

Elected: 2006

Appointed: Supervisory Board meeting of 1 November 2006 (as of 1 December 2006)

Term expires : 23 January 2009

- Background: Engineering Degree from the Ecole Centrale de Paris (France), Master of Science Management Stanford University (USA)
- Other directorships (at 31 December 2007):

Vice-Chairman and Member of the Supervisory Board of Qosmos (France)

Member of the Supervisory Board of Atos Euronext Market Solutions Holding SAS (France), Atos Worldline Processing (Germany)

Chairman of the Simplified joint stock company Mantis (France)

General Manager of the Simplified joint stock company Atos Origin International (France)

Director of Essilor (France), Ecole Centrale de Paris (France), Atos Worldine (formerly Banksys) (Belgium)

- Positions held during the last five years:

President and CEO, Director of Alcatel (France)

Chairman of the Management Board of Atos Euronext Market Solutions Holding SAS (France)

Member of the Supervisory Board of Alcatel Deutschland GmbH (Germany)

Director of Alcatel Inc. (U.S.), Essilor International, Ingenico (Compagnie Industrielle et Financière d'Ingénierie) (France), Ecole Centrale de Paris (France), Sinsys (Belgium), Bank Card Company (BCC) (Belgium)

Chairman of the Board of Directors and Chief Executive of Cegetel, SFR, Vivendi Universal Net, Vivendi Telecom International

Vice-Chairman of the Supervisory Board of Qosmos (France)

Member of the Executive Committee of Vivendi Universal

Member of the Management Board

Eric Guilhou

Elected: 2000

Re-elected: Supervisory Board meeting of 23 January 2004

Term expires: 23 January 2009

- Background: Chartered accountant, Business degree from ESCEM, Qualified teacher in economics and financial management
- Other directorships (at 31 December 2007):

Member of the Management Board of Atos Origin B.V. (Netherlands)

Member of the Supervisory Board of Atos Euronext Market Solutions Holding SAS (France), Atos Origin Nederland B.V. (Netherlands)

Director of Atos Origin Inc (British Virgin Islands), Atos Origin SpA (Italy), Atos Origin Luxembourg PSF SA (Luxemburg), Atos Consulting AB (Sweden)

Chairman of the Simplified joint stock company Atos Origin International (France).

Permanent representative of Atos Origin S.A., member of the Atos Origin Participations 2 Board of Directors (France)

- Positions held during the last five years:

Member of the Management Board of Atos Origin B.V. (Netherlands)

Member of the Supervisory Board of Atos Euronext Market Solutions Holding SAS (France), Atos Euronext[SBF] SA (France), Atos Origin Nederland B.V. (Netherlands), Atos Consulting France

Director of Atos Origin Belgium SA (Belgium), Atos Origin International (Belgium), Atos Origin International Competences & Alliances (Belgium), Atos Origin Inc (British Virgin Islands), Sema SA (France), PRE-IPO Net (France), Atos Origin SpA (Italy), Atos Origin Luxembourg PSF SA (Luxembourg), Atos Consulting AB (Sweden), Atos Origin IT Services Ltd (UK), Atos Consulting Ltd (UK)

Chairman of the simplified joint stock company Atos Investissement 4 (France)

General manager of EURL F. Clamart (France)

General Manager of the Simplified joint stock company Atos Origin International (France), Permanent representative of Atos Origin S.A., member of the Board of Directors of Atos Origin Participations 2 (formerly Origin France) (France), Atos Investissement 5 (France), Atos Investissement 6 (France), Atos Ods Origin (Spain)

Permanent representative of Atos Origin B.V., member of the Board of Directors of Atos Origin International (Belgium)

Member of the Management Board

Wilbert Kieboom

Elected: 2000

Re-elected: Supervisory Board meeting of 23 January 2004

Term expires: 23 January 2009

- Background: Business degree from Fairleigh Dickinson University, Madison, USA.
- Other directorships (at 31 December 2007):

Member of the Supervisory Board of Atos Origin Nederland B.V. (Netherlands)

Director of Atos Origin International (Belgium), Atos Origin Belgium SA (Belgium), Sema Global Services SA (Belgium), Atos Origin Luxembourg PSF SA (Luxembourg)

- Positions held during the last five years:

Member of the Management Board of Atos Origin B.V. (Netherlands), Atos Origin End User Services Nederland B.V. (Netherlands), Atos Origin IT Services Nederland B.V. (Netherlands), Atos Origin IT Systems Management Nederland B.V. (Netherlands), Atos Origin Nederland B.V. (Netherlands), Atos Origin Telco Services (Netherlands), Atos Origin Telecom Software Solutions B.V. (Netherlands)

Member of the Supervisory Board of Atos Origin Nederland B.V. (Netherlands)

General Manager of Atos Origin GmbH (Germany), Origin Holding GmbH (Germany), Sema GmbH (Germany)

Director of Atos Origin International (Belgium), Atos Origin Belgium SA (Belgium), Atos Origin International Competences & Alliances NV (Belgium), Sema Global Services SA (Belgium), Atos Origin Luxembourg PSF SA (Luxembourg), Atos Origin Information Technology BV (Netherlands), Atos Origin Norge AS (Norway), Atos Origin AB (Sweden), Atos Origin PA Konsult AB (Sweden), Atos Origin Sweden AB (Sweden), DC Tidingsdata AB (Sweden), Sema Infosynergi AB (Sweden), Sema Konsult AB (Sweden), Sema Ronneby AB (Sweden)

7.5. Supervisory Board

Chairman and Member of the Supervisory Board

Didier Cherpitel

Elected: 2004

Re-elected: 2005

Term expires: Annual General Meeting called to approve the fiscal year 2009 financial statements

- Background: Master in Politics and Economy (I.E.P. Paris), Master of Business Administration in Economy (Paris)
- Other positions (at 31 December 2007):

Chairman of "Managers sans Frontières" non profit organisation, Quebec (Canada)

Director of INSEAD (France), Médecins Sans Frontières Foundation (France), Wendel Investissements (also Chairman of the Governance Committee) (France), François-Xavier Bagnoud Society, non profit organisation, (also Treasurer) Sion (Switzerland), Fidelity International (Luxembourg & Bermuda), Swiss Philantropy Foundation (Switzerland), Fondation Mérieux (also Treasurer) (France)

- Positions held during the last five years:

Chairman of "Managers sans Frontières", non profit organisation, Quebec (Canada)

Secretary General and Chief Executive Officer of International Federation of Red Cross and Red Crescent Societies (Switzerland)

Director of Red Cross Foundation (Switzerland) (previously Chairman until June 2003), François-Xavier Bagnoud Society, non profit organisation (Switzerland), Médecins Sans Frontières Foundation, Wendel Investissements (France), INSEAD (France)

Vice-Chairman and Member of the Supervisory Board

Diethart Breipohl

Elected: 2005

Term expires: Annual General Meeting called to approve the fiscal year 2009 financial statements

- Background: School and bank trainee in Bielefeld, Study of law and doctorate in Hamburg, Münster and Tübingen
- Other positions (at 31 December 2007):

Chairman of the Supervisory Board of KM Europa Metal AG

Director of Continental AG (Germany), Arcandor (previously Karstadt Quelle AG) (Germany), LCL (previously Crédit Lyonnais) (France), Euler & Hermès (France)

- Positions held during the last five years:

Chairman of the Supervisory Board of KM Europa Metal AG

Member of the Supervisory Board (previously member of the Management Board) of Allianz AG (Germany)

Director of Continental AG (Germany), Arcandor (Germany), Assurances Générales de France (France), LCL (France), Euler & Hermès (France), Beiersdorf AG (Germany)

Member of the Supervisory Board

Dominique Bazy

Elected: 1997

Re-elected: 2005

Term expires: Annual General Meeting called to approve the fiscal year 2009 financial statements

- Background: Master of Business Administration in Economy (Paris), Master in Politics and Economy (I.E.P. Paris), Post graduate degree for senior posts in the civil service and public management (Ecole Nationale d'Administration, E.N.A. Paris), Master in Law

- Main position: Vice-Chairman Europe of UBS Investment bank (UK)
- Other positions (at 31 December 2007):

Director of Vinci (France)

- Positions held during the last five years:

Chairman of the Board of Directors and Chief Executive of UBS Securities France SA (France)

Vice-Chairman Europe of UBS Investment Bank (UK)

Vice-Chairman of the Supervisory Board of Grand Vision (France) and Director of Vinci (France)

Member of the Supervisory Board

Jan Oosterveld

Elected: 2004

Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements

- Background: Master degree in business administration at the Instituto de Estudios Superiors de la Empresa (Barcelona), Engineering degree at Eindhoven Technical University
- Other positions (at 31 December 2007):

Chairman of the Supervisory Board of Crucell NV, Leiden (Netherlands) (since June 2006, previously Member of the Supervisory Board)

Member of the Board of Directors of Barco NV, Kortrijk (Belgium), Cookson Ltd, London (UK)

Member of the Supervisory Board of Continental AG, Hanover (Germany)

- Positions held during the last five years:

Member of the Group Management Committee, in charge of the Strategy of the Group and of the Asia - Pacific region of Royal Philips Electronics (The Netherlands)

Chairman of the Board of Directors of LG Philips LCD Seoul (Korea)

Member of the Board of Directors of Barco NV, Kortrijk (Belgium), Cookson Ltd, London (UK)

Vice-Chairman of the Supervisory Board of LG Displays Holding BV (Netherlands)

Member of the Supervisory Board of Continental AG, Hanover (Germany), Crucell NV, Leiden (Netherlands)

Director of Philips Electronics China BV (Netherlands), Philips Venture Capital Fund BV (Netherlands)

Member of the Supervisory Board

Vernon Sankey

Elected: 2005

Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements

- Background: Master of Arts in Modern Languages, Oriel College, Oxford (UK)
- Other positions (as of 31 December 2007):

Director of Zurich Financial Services AG (Switzerland), Firmenich SA (Switzerland), Vividas group plc (UK)

Advisory Board member of GLP Llp (UK)

Member of Pi Capital (private equity investment group) (UK)

- Positions held during the last five years:

Chairman of Gala Group Ltd (UK), Photo-Me International plc (UK), The Really Effective Development Company Ltd (UK)

Deputy Chairman of Beltpacker plc (UK)

Director of Pearson plc (UK), Firmenich (Switzerland), Zurich Financial Services AG (Switzerland), Cofra AG (Switzerland), Taylor Woodrow plc (UK), Vividas Group Plc (UK)

Board member of Food standards agency (FSA) (UK)

Member of Pi Capital (private equity investment group) (UK)

Advisory Board member of GLP Llp (UK), Proudfoot (UK), MCC Inc (UK), Korn/Ferry International (US)

Member of the Supervisory Board

Michel Soublin

Elected: 2004

Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements

- Background: Graduated in political science from I.E.P., Paris (France), and in Economics from the Faculty of Law and Economics, Paris (France)
- Other positions (at 31 December 2007):

Director of Gemalto NV (Netherlands)

Chairman of Comité de la Charte du Don en Confiance, a French non-profit organisation

- Positions held during the last five years:

Financial Advisor and, previously, Group Treasurer of Schlumberger Ltd (Netherlands Antilles)

Director of Gemalto NV (previously Axalto NV) (Netherlands), and Yukos (till 2004), Moscow (Russia) (in liquidation)

To the knowledge of the Group, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities against any of the members of the Management Board or the Supervisory Board of the Company, except as described below.

The members of the Management Board or of the Supervisory Board of the Group have not been convicted in relation to any fraudulent offences or have not filed for bankruptcies/receiverships or liquidations during the last five years.

Although never convicted for 'fraudulent offence', Dominique Bazy was sentenced to a five-year probation by US courts after pleading guilty to a one count information in connection with the Executive Life/Crédit Lyonnais investigation. He was released from probation 18 months later by order of the US District Court. As part of the overall settlement of the Credit Lyonnais investigation, he is precluded from serving as an officer or director of any US insured banking institution, and limited in employment by any foreign banking organisation in the US.

None of the members of the Management Board or the Supervisory Board of the Company have any actual or potential conflicts of interest.

The Group declares it is in compliance with corporate governance rules applying in France, as defined by the AFEP/MEDEF reports.

Elements which are liable to have an impact in case of public offer:

- for details on the disclosures of interests regarding the shares of the Group, please refer to the common stock evolution section of this report;
- most of the shares held by employees are held through various mutual funds ("FCPEs").

8 » COMMON STOCK EVOLUTION AND SHARE PERFORMANCE

Atos Origin shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. They were first listed in Paris in 1995. The shares are not listed on any other stock exchange and Atos Origin SA is the only listed company in the Group.

8.1. Trading of shares (Euronext)

Number of shares traded:	69,710,154
Sector classification:	Information Technology
Main index:	CAC AllShares
Other indices:	CAC IT, CAC IT20, CAC Next20, Euronext 100, SBF120
Market:	Eurolist segment A
Trading place:	Euronext Paris (France)
Tickers:	ATO (Euronext)
Code ISIN:	FR0000051732
Payability PEA/SRD:	Yes/Yes

The main tickers are:

Source	Tickers	Source	Tickers
Euronext	ATO	Reuters	ATOS.PA
AFP	ATO	Thomson Finance	ATO FR
Bloomberg	ATO FP		

The Euronext sector classification is as follows:

Euronext: sector classification Industry Classification Benchmark (ICB)
9000 AEX Technology
9530 AEX Software and Computer services
9533 Computer Services

The shares also form components of the following indices:

Index	Type	Code ISIN	Market Place
Eurolist (segment 1)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC 70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext 100	Global Europe	FR0003502079	Paris-Amsterdam-Brussels-Lisbon
CAC Next 20	Global	QS0010989109	Paris CN20
SBF 80	Global	FR0003999473	Paris PX8
SBF 120	Global	FR0003999481	Paris PX4
SBF 250	Global	FR0003999499	Paris PX5
CAC IT20	Sector	QS0010989091	Paris CIT20
CAC IT	Sector	FR0003501980	Paris PXT
DJ Euro Stoxx Techno	Sector	EUR0009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FR0000051732	Paris
ASPI Europe, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro: Sustainable Development			

8.2. Common stock

8.2.1. Common stock at 31 December 2007

At 31 December 2007, the Group's issued common stock amounted to EUR 69.7 million, comprising 69,710,154 fully paid-up shares of EUR 1 par value each.

The common stock has increased by 1.1% in the period by the issuing of 135,750 new shares resulting from the exercise of stock subscription options, and 693,439 new shares from the stock purchase plan.

Transactions	Number of shares issued	Common stock *(in EUR million)*	Additional paid-in capital *(in EUR million)*	Total *(in EUR million)*
At 31 December 2006	**68,880,965**	**68.9**	**1,384.3**	**1,453.2**
Exercise of stock options	135,750	0.1	3.4	3.5
Stock purchase plan	693,439	0.7	21.9	22.6
At 31 December 2007	**69,710,154**	**69.7**	**1,409.6**	**1,479.3**

8.2.2. Common stock during the last five years

Year	Changes in Common stock	Date	New shares	Total number of shares	Common stock	Additional paid-in capital	New Common stock
					(in EUR million)		
2003	ORA bonds	16/08/2003	3,657,000	47,712,676	3.7	231.1	47.7
	Exercise of stock options	31/12/2003	156,957	47,869,633	0.2	4.3	47.9
2004	Consideration for Sema	22/01/2004	19,000,000	66,869,633	19.0	958.3	66.9
	Exercise of stock options	31/03/2004	47,186	66,916,819	0.1	1.7	66.9
	Exercise of stock options	30/06/2004	12,820	66,929,639	0.0	0.5	66.9
	Exercise of stock options	30/09/2004	1,320	66,930,959	0.0	0.0	66.9
	Exercise of stock options	31/12/2004	7,295	66,938,254	0.0	0.2	66.9
2005	Exercise of stock options	31/03/2005	222,499	67,160,753	0.2	7.2	67.2
	Exercise of stock options	30/06/2005	78,260	67,239,013	0.1	1.9	67.2
	Exercise of stock options	30/09/2005	91,253	67,330,266	0.1	2.6	67.3
	Exercise of stock options	31/12/2005	33,199	67,363,465	0.0	1.0	67.4
2006	Exercise of stock options	31/03/2006	144,022	67,507,487	0.1	5.3	67.5
	Exercise of stock options	30/06/2006	31,645	67,539,132	0.0	0.9	67.5
	Exercise of stock options	30/09/2006	85,844	67,624,976	0.1	2.1	67.6
	Stock purchase plan	20/12/2006	1,230,757	68,855,733	1.2	42.0	68.9
	Exercise of stock options	31/12/2006	25,232	68,880,965	0.0	1.0	68.9
2007	**Exercise of stock options**	**31/03/2007**	**23,624**	**68,904,589**	**0.0**	**0.6**	**68.9**
	Exercise of stock options	**30/06/2007**	**79,229**	**68,983,818**	**0.1**	**2.0**	**69.0**
	Exercise of stock options	**30/09/2007**	**21,753**	**69,005,571**	**0.0**	**0.5**	**69.0**
	Stock purchase plan	**20/12/2007**	**693,439**	**69,699,010**	**0.7**	**21.9**	**69.7**
	Exercise of stock options	**31/12/2007**	**11,144**	**69,710,154**	**0.0**	**0.3**	**69.7**

A total of 135,750 stock options were exercised during the period, representing 2.1% of the opening total number of stock options at December 2006.

8.2.3. Share ownership structure

Main shareholders

Principal changes in the ownership of the Group's shares in the past three years have been as follows:

	31 December 2007		31 December 2006		31 December 2005	
(in shares)	**Shares**	**%**	Shares	%	Shares	%
Centaurus	7,110,506	10.3%	6,544,205	9.5%	-	-
Pardus	6,700,000	9.7%			-	-
Management Board	43,809	0.1%	121,598	0.2%	110,264	0.2%
Supervisory Board	2,040	0.0%	2,050	0.0%	2,100	0.0%
Total Directors	45,849	0.1%	123,648	0.2%	112,364	0.2%
Employees	2,164,216	3.1%	1,538,860	2.2%	315,945	0.5%
Treasury stock	705,293	1.0%	258,293	0.4%	1,293	0.0%
Public	52,984,187	75.8%	60,415,959	87.7%	66,933,863	99.4%
Total	**69,710,154**	**100.0%**	**68,880,965**	**100.0%**	**67,363,465**	**100.0%**
Registered shares	1,664,916	2.4%	1,102,460	1.6%	1,811,671	2.7%
Bearer shares	68,045,238	97.6%	67,778,505	98.4%	65,551,794	97.3%
Total	**69,710,154**	**100.0%**	**68,880,965**	**100.0%**	**67,363,465**	**100.0%**

The ownership of the Group's shares by members of the Management and Supervisory Boards at 31 December 2007 is detailed under "Directors' compensation and interests" in the Corporate Governance section of this report. The ownership of the Group's shares by employees relates to ownership plans such as mutual funds and corporate savings plans.

The treasury stock evolution is explained hereafter under "implementation of a liquidity contract".

The free-float of the Group's shares is almost 100% today, with no shareholder owning more than 5% of the issued share capital of the Group, for the last 3 years and whose position has not moved by one percentage point or more (Euronext definition).

	31 December 2007			31 December 2006		
(in shares)	**Shares**	**% of capital**	**% of voting rights**	Shares	% of capital	% of voting rights
Treasury stock	705,293	1.0%		258,293	0.4%	
Free float	69,004,861	99.0%	100.0%	68,622,672	99.6%	100.0%
Total	**69,710,154**	**100.0%**	**100.0%**	**68,880,965**	**100.0%**	**100.0%**

In the second half of 2007, the Company has been advised of several share movements and two declarations of intention from Centaurus Capital LP and Pardus who declared their *Action de Concert* to Atos Origin on 5 October 2007.

Centaurus, Pardus, directors and employees are all classified under free-float.

Disclosure of interests

In the second half of 2007, the Group has been advised of share movements, by Centaurus Capital LP and Pardus, which respectively held 11.61% and 10.04% of the common stock at the date of the last disclosure (11 January 2008). Pardus and Centaurus declarations of intention stated the constitution of a concert holding together 21.65% of the Group share capital and voting rights.

	Date of statement	Shares	% interest[a]	% voting rights[b]
Deutsche Bank (upwards)	05/07/2007	5,179,132	7.51%	7.51%
Deutsche Bank (downwards)	13/07/2007	508,911	0.74%	0.74%
Pardus Capital Management (upwards)	08/08/2007	5,050,000	7.32%	7.32%
Morgan Stanley (upwards)	10/08/2007	3,589,181	5.20%	5.20%
Morgan Stanley (downwards)	13/08/2007	2,397,530	3.48%	3.48%
Centaurus Capital LP (upwards)	11/09/2007	6,910,506	10.02%	10.02%
Pardus Capital Management (upwards)	05/10/2007	6,500,000	9.42%	9.42%
Centaurus Capital LP (upwards)	29/11/2007	7,110,506	10.30%	10.30%
Pardus Capital Management (upwards)	29/11/2007	6,700,000	9.71%	9.71%
Centaurus Capital LP (upwards)	11/01/2008	7,410,506	10.63%	10.63%
Pardus Capital Management (upwards)	11/01/2008	7,000,000	10.04%	10.04%
Centaurus Capital LP (upwards)	23/01/2008	7,738,942	11.61%	11.61%

(a) On the basis of the capital at this date.
(b) On the basis of the capital excluding treasury stock at this date.

The Group has not been advised of any share movement since this date.

8.2.4. Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

8.2.5. Shareholder agreements

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best of the Management Board's knowledge, no other *Action de Concert* (shareholder agreements) or similar agreements exist, except for the shareholder agreement signed between Pardus and Centaurus funds on 5 October 2007.

To the knowledge of the Group, there are no other agreements capable of having a material effect on the share capital of the Group.

8.2.6. Treasury stock

At 31 December 2007, treasury stock held by the Group amounted to 705,293 shares.

The 6th resolution of the Annual General Meeting of 23 May 2007 renewed the authorisation to trade in the Group's shares. The number of shares purchased may not exceed 10% of the Group's common stock at the date of the last Annual General Meeting (6,890,460 shares). The purpose of this authorisation is to allow the Group to trade in the Group's shares in order to:

- issue shares to employees or managers of the Group and the Group under conditions defined by law and regulations;
- cancel its shares, and notably by profit sharing schemes, share options schemes, free shares or sale of shares to employees;
- keep and issue shares in connection with financial or external investment transactions by way of public offer or otherwise, under conditions defined by law and regulations;
- cover for the potential dilution created by convertible securities, under conditions defined by law and regulations;
- stabilise the secondary market or the liquidity of its shares through a liquidity agreement signed with an investment service provider in compliance with a deontology charter recognised by the *Autorité des Marchés Financiers*;
- trade in the Company's shares on the stock exchange market or otherwise for any other purpose authorised by law and regulations.

Shareholders also authorise the Management Board, subject to prior approval by shareholders in Extraordinary General Meeting, to cancel all or part of the shares acquired by the Company. Shares may be purchased, sold or transferred by any means, including derivative instruments or the acquisition or sale of blocks of shares.

The maximum aggregate amount of shares purchased may not exceed 6,890,460 shares at the maximum purchase price. The maximum purchase price per share is set at EUR 62.0. Where all or part of the shares acquired under the aforementioned conditions are used to exercise stock purchase options pursuant to article L. 225-179 of the Commercial Code, the selling price must be set in accordance with the legal provisions applicable to stock purchase options.

Shareholders grant full powers to the Management Board to adjust the aforementioned unit price in proportion to any changes in the number or value of shares resulting from financial transactions performed by the Company.

This authorisation is granted for a maximum period of 18 months from the shareholders' meeting. The Management Board must report to shareholders at the next Annual General Meeting on any transactions performed pursuant to this authorisation.

Legal documents relating to trading in the Company's shares may be viewed at the Company's registered office (Legal Department) by prior appointment and are available through the AMF database.

8.2.7. Implementation of a liquidity contract

Atos Origin entrusted to Rothschild & Cie Banque the implementation of a liquidity contract through an agreement dated 13 February 2006, for a one-year duration with automatic renewal, in conformity with the ethics charter of the AFEI approved by the instruction of the *Commission des Opérations de Bourse* (COB) dated 10 April 2001.

For the implementation of this contract, the following means have been allocated to the liquidity account: EUR 15,000,000.

(in shares)	Period December 06	Period February 07	Period April 07	Period December 07
Buy		4,500	7,000	447,000
Sell				
Net		4,500	7,000	447,000
Net in the month		+4,500	+2,500	+440,000
Treasury stock	258,293	262,793	265,293	705,293
Common stock	**68,880,965**	**68,882,865**	**68,949,146**	**69,710,154**
%	**0.37%**	**0.38%**	**0.38%**	**1.01%**

The number of shares purchased may not exceed 10% of the Company's common stock at the date of the last Annual General Meeting (6,890,460 shares).

At 31 December 2007, the Company held 705,293 shares as treasury stock.

8.2.8. Potential common stock

Potential dilution

Based on 69,710,154 shares in issue, the common stock of the Group could be increased by 5,982,272 new shares, representing 7.9% of the common stock after dilution. This can occur only through the exercise of stock subscription options granted to employees.

(in shares)	31 Dec. 2007	31 Dec. 2006	Change	% dilution	*EUR million*
Number of shares outstanding	**69,710,154**	**68,880,965**	**829,189**		
Stock subscription options	5,982,272	6,445,741	(463,469)	7.9%	372.3
Stock subscription warrants					
Total Employees	**5,982,272**	**6,445,741**	**(463,469)**		**372.3**
Total potential common stock	**75,692,426**	**75,326,706**	**365,720**		

The exercise of all the options and warrants would have the effect of increasing total shareholders' equity by EUR 372 million and common stock by EUR 6.0 million.

Nevertheless, 7.4% of stock subscription options granted to employees have an exercise price that exceeds the stock market price at 31 December 2007 (EUR 35.35).

Stock options evolution

During the period, 25,000 new stock subscription options were granted to employees at a share price of EUR 40.35.

Number of stock subscription options at 31 December 2006	**6,445,741**
Stock subscription options granted in 2007	25,000
Stock subscription options exercised in 2007	(135,750)
Stock subscription options forfeited in 2007	(108,319)
Stock subscription options expired in 2007	(244,400)
Number of stock subscription options at 31 December 2007	**5,982,272**

A total of 352,719 stock subscription options were cancelled and 135,750 were exercised during the period.

Date of SHs' meeting	Date of MB meeting	Options granted	Of which members of the current MB	Of which ten employees	Options exercised	Of which members of the current MB	Options cancelled
16/12/93	09/09/94	121,440	4,000		107,580	4,000	13,860
16/12/93	23/02/96	74,000	4,000	49,000	74,000	4,000	
28/05/96	19/09/96	402,000		91,200	333,180		68,820
28/05/96	11/12/96	58,800			29,400		29,400
16/12/93	07/03/97	121,600	10,000	16,700	70,228	10,000	51,372
30/06/97	10/12/97	284,200	5,000	47,400	1,800		282,400
30/06/97	01/04/98	5,100					
30/06/97	19/10/98	1,400					
30/06/97	02/11/98	600					
30/06/97	08/12/98	236,400	6,000	32,000	500		28,100
30/06/97	04/01/99	9,000					
30/06/97	17/05/99	3,600					
30/06/97	07/06/99	400					
30/06/97	01/10/99	1,000					
30/06/97	30/11/99	259,000	7,500	27,000			38,300
30/06/97	01/03/00	1,500					
30/06/97	03/04/00	300					300
30/06/97	01/06/00	4,500					
30/06/97	03/07/00	10,000					
30/06/97	01/09/00	2,500					
30/06/97	02/10/00	500					
31/10/00	18/12/00	514,100	70,000	12,000			129,575
31/10/00	18/12/00	428,650	61,500	22,800			61,200
31/10/00	15/01/01	5,000					
31/10/00	15/01/01	500					
31/10/00	23/04/01	4,000					3,000
31/10/00	23/04/01	3,200					
31/10/00	18/09/01	2,200					
31/10/00	08/10/01	1,800					800
31/10/00	11/12/01	5,000					
31/10/00	12/12/01	410,350		33,000			83,900
31/10/00	12/12/01	236,400		8,500			13,950
31/10/00	14/01/02	2,500					500
31/10/00	14/01/02	1,000					500
31/10/00	16/04/02	1,350					1,100
31/10/00	16/04/02	1,000					
31/10/00	20/06/02	11,101		6,943			2,795
31/10/00	20/06/02	12,574		331			2,125
31/10/00	20/06/02	6,000					6,000
31/10/00	01/07/02	45,000	10,000				
31/10/00	01/07/02	20,000	10,000				
31/10/00	09/07/02	5,000					5,000
31/10/00	16/08/02	184,606		24,650	46,730		87,228
31/10/00	02/10/02	2,000			500		500
31/10/00	15/10/02	3,000					
31/10/00	15/10/02	100					
31/10/00	27/03/03	616,410	15,000	25,300	455,617	15,000	56,392
31/10/00	27/03/03	348,902	15,491	10,564			13,934
31/10/00	16/06/03	2,000					2,000
31/10/00	08/07/03	500					
31/10/00	01/10/03	1,500					1,000
31/10/00	01/10/03	762					
31/10/00	09/02/04	1,172,125	30,000	117,000	51,675		62,875
22/01/04	09/02/04	414,750	30,000	52,000			13,475
04/06/04	10/01/05	805,450	35,000	52,500	500		115,285
04/06/04	10/01/05	347,250	35,000	41,500	200		23,739
04/06/04	28/04/05	750					500
04/06/04	28/04/05	6,750					1,333
04/06/04	26/10/05	5,200					666
04/06/04	12/12/05	20,000					
04/06/04	12/12/05	15,000					6,666
04/06/04	29/03/06	810,130	35,000	50,000			114,648
04/06/04	29/03/06	337,860	35,000	44,500			25,040
04/06/04	01/12/06	50,000	50,000				
04/06/04	19/12/06	16,150					1,300
04/06/04	19/12/06	3,000					
23/05/07	09/10/07	20,000					
23/05/07	09/10/07	5,000					
22/06/01	08/11/01	198,590	12,000		190,529	12,000	8,061
22/06/01	08/11/01	236,000	10,000		13,966		222,034
22/06/01	08/11/01	493,000	30,000				493,000
Total Stock options end of Dec-07		**9,431,350**	**520,491**	**764,888**	**1,376,405**	**45,000**	**2,072,673**

Of which members of the current MB	Closing 31/12/07	Of which members of the current MB	Numbers of beneficiaries	Exercise period start date	Exercise period end date	Strike Price *(EUR)*	Cash *(EUR million)*
			56	09/09/99	09/09/02	23.26	
			13	23/02/01	23/02/04	33.79	
			127	19/09/01	19/09/06	26.11	
			2	11/12/01	11/12/06	40.84	
			57	07/03/02	07/03/05	52.75	
5,000			156	10/12/02	10/12/07	57.29	
	5,100		1	01/04/03	01/04/08	79.04	0.4
	1,400		1	19/10/03	19/10/08	68.45	0.1
	600		1	02/11/03	02/11/08	68.80	0.0
	207,800	6,000	192	08/12/03	08/12/08	94.80	19.7
	9,000		1	04/01/04	04/01/09	95.26	0.9
	3,600		3	17/05/04	17/05/09	79.27	0.3
	400		1	07/06/04	07/06/09	84.04	0.0
	1,000		1	01/10/04	01/10/09	120.29	0.1
	220,700	7,500	292	30/11/04	30/11/09	134.55	29.7
	1,500		2	01/03/05	01/03/10	159.94	0.2
			1	03/04/05	03/04/10	153.82	
	4,500		5	01/06/04	01/06/10	110.15	0.5
	10,000		1	03/07/04	03/07/10	106.67	1.1
	2,500		2	01/09/04	01/09/10	109.50	0.3
	500		1	02/10/04	02/10/10	112.97	0.1
20,000	384,525	50,000	385	18/12/03	18/12/10	78.27	30.1
20,000	367,450	41,500	479	18/12/04	18/12/10	78.27	28.8
	5,000		2	15/01/04	15/01/11	76.23	0.4
	500		1	15/01/05	15/01/11	76.23	0.0
	1,000		3	23/04/04	23/04/11	84.33	0.1
	3,200		3	23/04/05	23/04/11	84.33	0.3
	2,200		1	18/09/05	18/09/11	80.71	0.2
	1,000		3	08/10/04	08/10/11	74.06	0.1
	5,000		1	11/12/04	11/12/11	79.36	0.4
	326,450		774	12/12/04	12/12/11	79.04	25.8
	222,450		522	12/12/05	12/12/11	79.04	17.6
	2,000		2	14/01/05	14/01/12	75.17	0.2
	500		2	14/01/06	14/01/12	75.17	0.0
	250		3	16/04/05	16/04/12	87.51	0.0
	1,000		1	16/04/06	16/04/12	87.51	0.1
	8,306		815	20/06/05	20/06/12	63.06	0.5
	10,449		1,536	20/06/06	20/06/12	63.06	0.7
			4	20/06/05	20/06/12	63.06	
	45,000	10,000	4	01/07/05	01/07/12	62.32	2.8
	20,000	10,000	2	01/07/06	01/07/12	62.32	1.2
			3	09/07/06	09/07/12	61.49	
	50,648		146	16/08/05	16/08/12	41.52	2.1
	1,000		4	02/10/05	02/10/12	41.52	0.0
	3,000		1	15/10/05	15/10/12	26.02	0.1
	100		1	15/10/06	15/10/12	26.02	0.0
	104,401		1,447	01/01/05	27/03/13	25.92	2.7
	334,968	15,491	3,444	27/03/07	27/03/13	25.92	8.7
			2	16/06/07	16/06/13	30.88	
	500		1	08/07/06	08/07/13	31.81	0.0
	500		2	01/10/06	01/10/13	49.87	0.0
	762		1	01/10/07	01/10/13	49.87	0.0
	1,057,575	30,000	1,220	01/01/06	09/02/14	54.14	57.3
	401,275	30,000	686	09/02/08	09/02/14	54.14	21.7
	689,665	35,000	803	10/01/08	10/01/15	49.75	34.3
	323,311	35,000	567	10/01/09	10/01/15	49.75	16.1
	250		1	28/04/08	28/04/15	49.98	0.0
	5,417		5	28/04/09	28/04/15	49.98	0.3
	4,534		3	26/10/09	26/10/15	58.04	0.3
	20,000		1	12/12/08	12/12/15	57.07	1.1
	8,334		1	12/12/09	12/12/15	57.07	0.5
	695,482	35,000	828	29/03/09	29/03/16	59.99	41.7
	312,820	35,000	420	29/03/10	29/03/16	59.99	18.8
	50,000	50,000	1	01/12/10	01/12/16	43.87	2.2
	14,850		24	19/12/09	19/12/16	43.16	0.6
	3,000		6	19/12/10	19/12/16	43.16	0.1
	20,000		1	09/10/10	09/10/17	40.35	0.8
	5,000		1	09/10/11	09/10/17	40.35	0.2
			28	23/12/01	23/12/03	28.13	
10,000			56	28/07/02	28/07/04	52.18	
10,000			183	29/05/03	30/06/06	72.15	
65,000	5,982,272	390,491					372.3

The weighted average exercise price of the above-mentioned options is summarised in the table below:

	31 December 2007	Weighted average strike price *(in EUR)*	Value *(in EUR million)*	% total stock options
Strike price from EUR 20 to EUR 30	442,469	25.92	11.5	7%
Strike price from EUR 30 to EUR 40	500	31.81	0.0	0%
Strike price from EUR 40 to EUR 50	1,164,403	48.83	56.9	19%
Strike price from EUR 50 to EUR 60	2,500,020	56.54	141.4	42%
Strike price from EUR 60 to EUR 70	85,755	62.63	5.4	1%
Strike price from EUR 70 to EUR 80	1,323,575	78.58	104.0	22%
Strike price from EUR 80 to EUR 90	8,050	83.82	0.7	0%
Strike price from EUR 90 to EUR 100	216,800	94.82	20.6	4%
Strike price from EUR 100 to EUR 110	12,500	107.24	1.3	0%
Strike price from EUR 110 to EUR 120	5,000	110.43	0.6	0%
Strike price from EUR 120 to EUR 130	1,000	120.29	0.1	0%
Strike price from EUR 130 to EUR 140	220,700	134.55	29.7	4%
Strike price from EUR 140 to EUR 150				
Strike price from EUR 150 to EUR 160	1,500	159.94	0.2	0%
Total Stock options	**5,982,272**	**62.23**	**372.3**	**100%**
Already exercisable end of 2007	3,428,334	68.11	233.5	57%
Exercisable in 2008	1,111,190	51.47	57.2	19%
Exercisable in 2009	1,051,928	56.52	59.5	18%
Exercisable in 2010	385,820	21.90	21.9	6%
Exercisable in 2011	5,000	40.35	0.2	0%
Total Stock options	**5,982,272**	**62.23**	**372.3**	**100%**

Only 7% of stock subscription options granted to employees are already exercisable or exercisable during 2008, with exercise conditions below the stock market price at 31 December 2007 (EUR 35.35).

	31 December 2007	Weighted average strike price *(in EUR)*	Value *(in EUR million)*	% total stock options
Already exercisable end of 2007 below EUR 35.4	442,969	25.92	11.5	7%
Subtotal mix strike price/start date	**442,969**	**25.92**	**11.5**	**7%**

Unused authorisations to issue shares and share equivalents

Having regard to resolutions voted during the Annual Shareholders Meeting on 23 May 2007, the unused authorisations to issue shares and share equivalents are the following:

Authorisation *(in EUR)*	Amount authorised Par value	Amount utilised Par value	Amount not utilised Par value	Authorisation expiry date
EGM 23/05/2007 9th resolution Stock subscription options	3,440,000	25,000 in 2007	3,415,000	23/07/2010
Subtotal stock options			**3,415,000**	
EGM 23/05/2007 7th resolution Common stock increase with preferential subscription rights	20,664,000		20,664,000	23/07/2009
EGM 23/05/2007 8th resolution Common stock increase in payment for contributions in kind	6,890,450		6,890,450	23/07/2009
EGM 23/05/2006 11th resolution Common stock increase without preferential subscription rights (in deduction of the EUR 20.6 million authorisation)	6,716,075		6,716,075	23/07/2008
EGM 23/05/2007 10th resolution Common stock increase reserved for employees (in connection with an employee savings plan)	5,512.367	723,532	4,788,835	23/07/2009
Subtotal common stock			**32,343,295**	
Total			**35,758,295**	

The potential authorisation to issue 35,758,295 shares represents 51% of current issued common stock.

The following authorisation to cancel shares corresponds to 10% of the current issued common stock.

Authorisation *(in EUR)*	Amount authorised Par value	Amount utilised Par value	Amount not utilised Par value	Authorisation expiry date
EGM 03/06/2005 12th resolution Share cancellation	6,716,075		6,716,075	AGM approving 2009 statutory accounts
Common stock			**6,716,075**	

8.3. Dividends

On 14 February 2008, the Supervisory Board of Atos Origin decided to propose as a resolution at the the next Annual Shareholders Meeting on 22 May 2008 for the first time in the history of the Group the distribution of a dividend for 2007 results for an amount of **EUR 0.40** per share.

8.4. Share trading performance

8.4.1. Five-year key figures

		2007	2006	2005	2004	2003
High	*(in EUR)*	55.3	65.2	62	59.4	60.9
Low	*(in EUR)*	32.8	33.5	45.6	39.5	23.2
Closing	*(in EUR)*	35.4	44.9	55.7	50	50.7
Daily average volume	*(in shares)*	**821,106**	**640,181**	**438,833**	**357,107**	**215,015**
Free-float	*(in %)*	**100%**	**100%**	**100%**	**85%**	**55%**
Market capitalisation	*(in EUR million)*	2,464	3,095	3,749	3,345	2,427
Enterprise value (EV)	*(in EUR million)*	2,802	3,524	3,931	3,837	2,693
EV/revenue		0.48	0.64	0.72	0.73	0.89
EV/OMDA		5.5	7.9	7.9	8.8	7.8
EV/OM		10.3	14.3	9.8	10.7	10.9
P/E (year-end stock price on adjusted EPS)		17.4	27.5	14.7	15.5	15.1

8.4.2. Market and free-float capitalisation

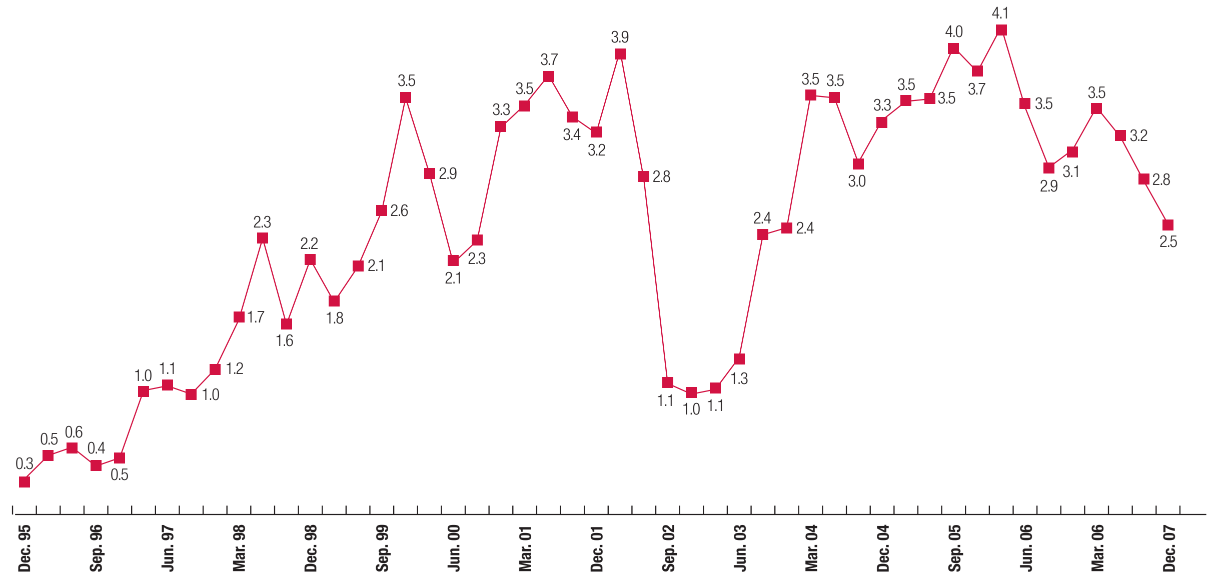
Based on a closing share price of EUR 35.4 at the end of December 2007 and 69,710,154 shares in issue, the market capitalisation of the Group at 31 December 2007 was EUR 2,464 billion.

In terms of market capitalisation, Atos Origin is ranked 82nd within the Eurolist index, which includes the largest companies by market capitalisation on the Paris exchange.

The Group's market capitalisation by quarter since listing in Paris in 1995 has been as follows:

Market capitalisation since December 1995

(in EUR billion)

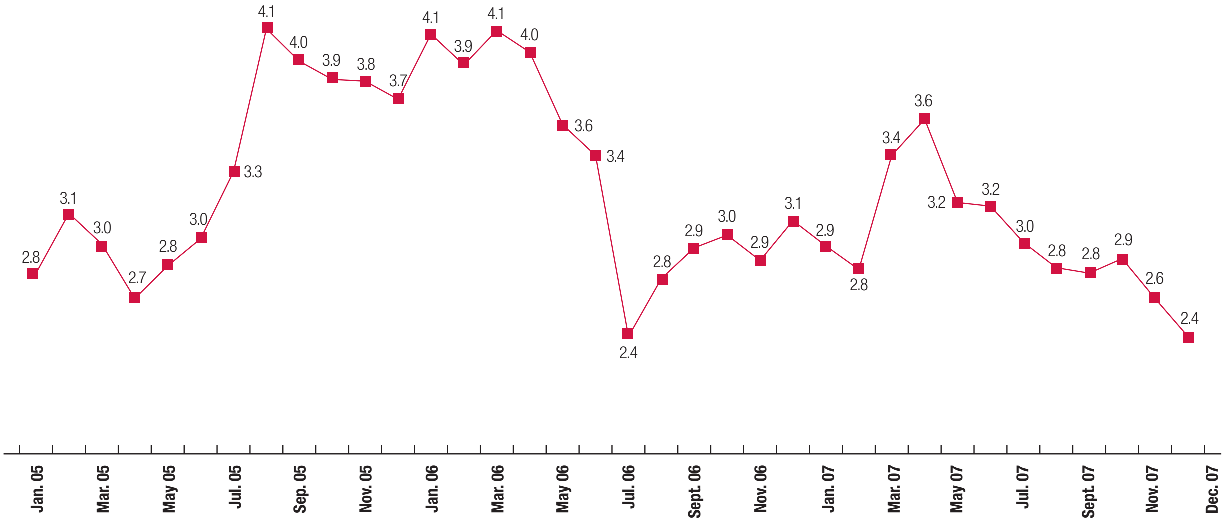


French indices have shifted to free-float weightings in 2004. This is in line with the general trend for major market indices, which are based on free-float capitalisation instead of total market capitalisation. The change is intended to ensure a closer match between the actual market position of component stocks and the index. It also reduces the risk of peaks in volatility that may result from an excessive discrepancy between the weighting of a stock in the index and the number of shares actually available to the market.

The Group's actual free-float of shares increased from 39% to 100% between January 2004 and December 2007. The free-float capitalisation since the acquisition of Sema Group in January 2004 has been as follows:

Free-float capitalisation since 2005

(in EUR billion)

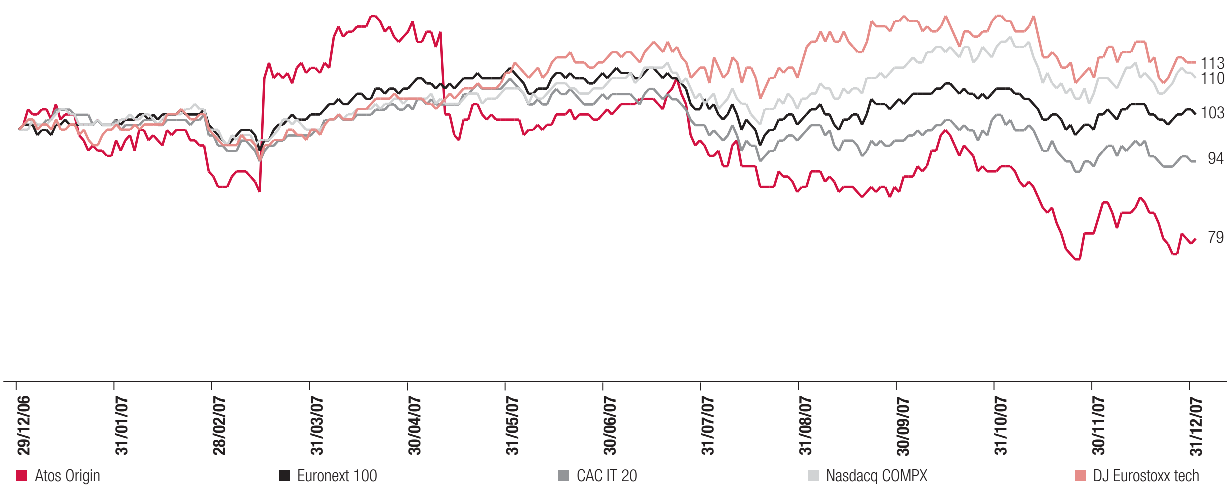


8.4.3. Share performance in comparison with indices (base index 100)

During 2007, Tech indices such as the IT CAC 20, DJ Euro Stoxx Tech or Nasdaq Composite index, under-performed the French and European markets, with limited growth.

Atos Origin stock performance during the year was in the same magnitude as the one observed in the whole IT sector in Europe.

The stock price decreased from EUR 44.93 at 31 December 2006 to EUR 35.35 at 31 December 2007, a decrease of 21%.



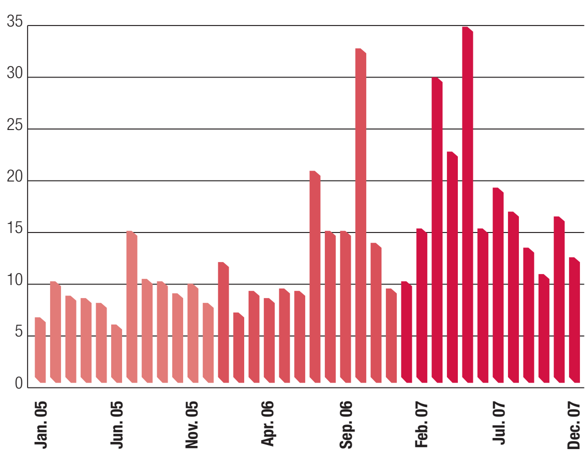
8.4.4. Monthly and quarterly trading volumes

Source: Euronext *(in EUR per share)*	High	Low	Closing	Weighted average price	Trading Volume *(in thousands of shares)*	Trading volume *(in EUR thousand)*
2007						
January	47.0	42.5	42.9	45.9	10,385	476,436
February	46.2	39.5	40.9	43.9	15,318	672,075
March	51.4	39.0	50.1	45.4	30,044	1,438,881
1st Quarter					**55,747**	**2,587,393**
April	55.3	49.7	53.0	53.2	22,907	1,219,679
May	55.1	43.6	46.4	48.0	34,964	1,677,380
June	47.0	44.1	46.4	44.7	15,452	690,096
2nd Quarter					**73,322**	**3,587,155**
July	49.6	42.6	43.4	46.4	19,350	898,170
August	45.1	37.8	41.3	41.5	17,001	706,181
September	41.7	38.5	40.8	40.1	13,482	541,010
3rd Quarter					**49,833**	**2,145,361**
October	45.4	40.1	42.0	42.7	10,948	467,484
November	42.4	32.8	38.8	36.8	16,421	604,730
December	39.2	33.9	35.4	36.9	12,496	461,149
4th Quarter					**39,865**	**1,533,363**
Total 2007					**218,767**	**9,853,272**
% of capital traded during the period:	317%					

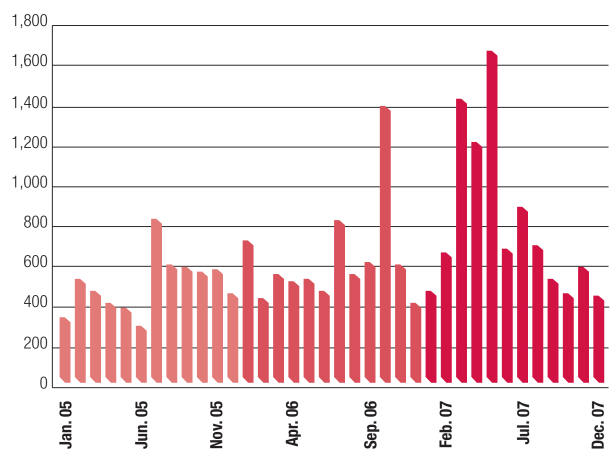
The daily average number of shares traded during the 12 months of 2007 was 862,000, an increase of 35% compared with last year.

The monthly average trading volume during 2007 was EUR 821 million, an increase of 27% compared with last year.

Monthly trading volume in millions of shares



Monthly trading volume in millions of euros



8.4.5. Key trading dates in 2007 and post-closing

On 15 March 2007, following rumours supported by a media relative to potential takeover of Atos Origin, the volume of shares traded at that date reached 10,712,059. The Group issued a press release announcing that, despite expressions of interest made to it that did not constitute offers, it was not engaged in any financial operation with respect to its share capital. The Group is focused on the execution of its transformation plan approved by the Supervisory Board and presented to the market, which is value incentive.

On 26 March 2007, Atos Origin announced that its Supervisory and Management Boards have decided to explore strategic options to support the execution of the transformation plan, to further the Group's development while enhancing shareholder value.

On 14 May 2007, Atos Origin announced it had finalised the review of strategic options. At the end of the period set by the Group, no binding offers have been received and the Supervisory and Management Boards have unanimously concluded that it is in the best interest of all Group stakeholders to pursue and accelerate, on a stand-alone basis, the value-creating strategy announced in February 2007. The reaction of the market was share price decrease of 13.8% on that day from 53.5 EUR to 46.1 EUR and volumes of shares traded in the day of 9.5 million.

On 8 August 2007, following the purchase of Atos Origin shares on the market, Pardus Capital Management announced they exceeded the 5% threshold and held 7.32% of share capital.

The 5 October 2007, Pardus Capital Management and Centaurus Capital LP declared that following the constitution of a concert they collectively held 19.4% of the share capital and voting rights of Atos Origin.

The 29 November 2007, following the purchase of Atos Origin shares on the market, Pardus Capital Management and Centaurus Capital LP announced that together they exceeded the 20% threshold with 20.01% of share capital. Pardus Capital Management and Centaurus Capital LP respectively hold 9.71% and 10.30%.

The 11 January 2007, following the purchase of Atos Origin shares on the market, Pardus Capital Management and Centaurus Capital LP announced that together they exceeded the 20% threshold with 20.67% of share capital. Pardus Capital Management and Centaurus Capital LP respectively hold 10.04% and 10.63%.

On 23 January 2008, Centaurus Capital LP and Pardus exceeded the 21% threshold with respectively 11.61% and 10.04% of Atos Origin share capital and voting rights.

8.4.6. Share value for French wealth tax ("ISF") purposes

The closing share price on 31 December 2007 was EUR 35.35.

The average closing share price over the last 30 stock market trading days of 2007 was EUR 36.39.

8.4.7. Purchase or sale by the Group of its own shares

The Group purchased or sold its own shares in 2007 as described within the section "Implementation of a liquidity contract". At 31 December 2007, the Group held 705,293 shares as treasury stock.

9 SHAREHOLDER RELATIONS

9.1. Communication

The Group aims to provide regular and clear information to all its shareholders, whether private individuals or institutions. We ensure the uniformity and transparency of information through the distribution of formal financial documents, the Group's web site and personal meetings.

9.2. Contacts

Institutional investors, financial analysts and individual shareholders may obtain information from:

- Gilles Arditti, Tel.: +33 (0) 1 55 91 28 83, gilles.arditti@atosorigin.com
- Azzedine Hamaïli,Tel.: +33 (0)1 55 91 25 34, azzedine.hamaili@atosorigin.com

Or by sending requests for information to investors@atosorigin.com.

9.3. Shareholder documentation

In addition to the Annual Report, which is published in English and French, the following information is available to shareholders:

- a half year report;
- quarterly revenue and trading update announcements;
- the Company's informational website at www.atosorigin.com;
- regular press releases, available through the website or via the AMF database.

Legal documents relating to the Company bylaws, minutes of Shareholders' meetings, Auditors' reports, etc. may be viewed at the Company's registered office (Legal Department) by prior appointment.

9.4. Registrar

The Group's share registrar and paying agent is Société Générale.

9.5. Financial calendar

2008 Calendar	
Wednesday, 30 April 2008	2008 First quarter revenue
Thursday, 22 May 2008	Annual General Meeting (2007 results)
Thursday, 31 July 2008	2008 Half year results
Friday, 31 October 2008	2008 Third quarter revenue
Friday, 17 February 2009	2008 Annual results

9.6. Update of documents issued

In accordance with article 221-1-1 of the *Autorité des marchés financiers* (AMF) general regulations, the following list includes all financial information published or made available since 1 January 2006.

This document is a full free translation of the original French text:

Document	Date of issue	Source
Financial reports		
• Annual report 2007	29/02/08-09/04/08	website Atos Origin / website AMF
• Half-year report 2007	01/08/07-28/08/07	website Atos Origin / website AMF
• Annual report 2006	28/02/07-06/04/07	website Atos Origin / website AMF
• Half-year report 2006	06/09/06-30/10/06	website Atos Origin / website AMF
• Annual report 2005	08/03/06-15/05/06	website Atos Origin / website AMF
Financial press releases		
• Annual results 2007	15/02/08	website Atos Origin / website AMF
• Half-year results 2007	01/08/07	website Atos Origin / website AMF
• Annual results 2006	28/02/07	website Atos Origin / website AMF
• Half-year results 2006	06/09/06	website Atos Origin / website AMF
• Annual results 2005	08/03/06	website Atos Origin / website AMF
• Fourth quarter revenue 2007	31/01/08	website Atos Origin / website AMF
• Third quarter revenue 2007	15/11/07	website Atos Origin / website AMF
• Second quarter revenue 2007	01/08/07	website Atos Origin / website AMF
• First quarter revenue 2007	14/05/07	website Atos Origin / website AMF
• Fourth quarter revenue 2006	05/02/07	website Atos Origin / website AMF
• Third quarter revenue 2006	31/10/06	website Atos Origin / website AMF
• Second quarter revenue 2006	18/07/06	website Atos Origin / website AMF
• First quarter revenue 2006	28/04/06	website Atos Origin / website AMF
• Fourth quarter revenue 2005	31/01/06	website Atos Origin
Financial presentations		
• Full-year 2007 results	15/02/08	website Atos Origin
• Half-year 2007 results	01/08/07	website Atos Origin
• Operational 2006 results and transformation plan	05/02/07	website Atos Origin
• Full-year 2006 results	28/02/07	website Atos Origin
• Half-year 2006 results	06/09/06	website Atos Origin
• Full-year 2005 results	08/03/06	website Atos Origin

Document	Date of issue	Source
Other financial communications		
• Description of trading programme of Company's shares	30/05/07	website Atos Origin / website AMF
• Employee shareholders plan	18/09/06	website Atos Origin / website AMF
• Trading programme of Company's shares	08/03/06	website Atos Origin / website AMF
Shareholders' meetings		
• Shareholders' meeting presentation 2006	23/05/07	website Atos Origin
• Minutes of the 2006 AGM (full text of resolutions and results of vote)	23/05/07	Company's registered office
• Shareholders' meeting presentation 2005	23/05/06	website Atos Origin
• Minutes of the 2005 AGM (full text of resolutions and results of vote)	23/05/06	Company's registered office
Financial statements		
• Consolidated financial statements 2007	29/02/08-09/04/08	Company's registered office / Commercial court / *Document de Référence*
• Parent company financial statements 2007	29/02/08-09/04/08	Company's registered office / Commercial court / *Document de Référence*
• Condensated consolidated financial statements for the first half 2007	01/08/07	Company's registered office / Commercial court / Half-year report
• Consolidated financial statements 2006	28/02/07	Company's registered office / Commercial court / *Document de Référence*
• Parent company financial statements 2006	28/02/07	Company's registered office / Commercial court / *Document de Référence*
• Condensated consolidated financial statements for the first half 2006	20/10/06	Company's registered office / Commercial court / Half-year report
• Consolidated financial statements 2005	07/03/06	Company's registered office / Commercial court / *Document de Référence*
• Parent company financial statements 2005	07/03/06	Company's registered office / Commercial court / *Document de Référence*
Auditors reports		
• Auditors' report on the consolidated financial statements 2007	08/04/08	Company's registered office / Commercial court / *Document de Référence*
• Auditors' report on the parent company financial statements 2007	08/04/08	Company's registered office / Commercial court / *Document de Référence*
• Auditors' special report on regulated agreements 2007	08/04/08	Company's registered office / *Document de Référence*
• Auditors' special report on the report prepared by the Chairman of the Supervisory Board 2007	08/04/08	Company's registered office / *Document de Référence*
• Auditors' letter regarding the information given in the *Document de Référence* 2007	08/04/08	Company's registered office
• Auditors' letter regarding the information given in the half-year report 2007	28/08/07	Company's registered office
• Auditors' review report on the first half-year financial information 2007	28/08/07	Company's registered office / Commercial court / *Document de Référence*
• Auditors' report on the consolidated financial statements 2006	06/04/07	Company's registered office / Commercial court / *Document de Référence*
• Auditors' report on the parent company financial statements 2006	06/04/07	Company's registered office / Commercial court / *Document de Référence*

Document	Date of issue	Source
• Auditors' special report on regulated agreements 2006	06/04/07	Company's registered office / *Document de Référence*
• Auditors' special report on the report prepared by the Chairman of the Supervisory Board 2006	06/04/07	Company's registered office / *Document de Référence*
• Auditors' letter regarding the information given in the *Document de Référence* 2006	06/04/07	Company's registered office
• Auditors' letter regarding the information given in the half-year report 2006	30/10/06	Company's registered office
• Auditors' review report on the first half-year financial information 2006	19/09/06	Company's registered office / Commercial court / *Document de Référence*
• Auditors' letter regarding the information given in the *Document de Référence* 2005	12/05/06	Company's registered office
• Auditors' report on the consolidated financial statements 2005	07/03/06	Company's registered office / Commercial court / *Document de Référence*
• Auditors' report on the parent company financial statements 2005	07/03/06	Company's registered office / Commercial court / *Document de Référence*
• Auditors' special report on regulated agreements 2005	07/03/06	Company's registered office / *Document de Référence*
• Auditors' special report on the report prepared by the Chairman of the Supervisory Board 2005	07/03/06	Company's registered office / *Document de Référence*
Declarations		
• Declaration of share transfer made by board members of Atos Origin	22/05/06-23/05/06-07/06/06-26/06/07-08/08/07	website AMF / *Document de Référence*
• Disclosure of liquidity contract	27/02/06-17/01/08	AMF website
• Auditors' fees 2007	29/02/08	website AMF / *Document de Référence*
• Auditors' fees 2006	28/02/07	website AMF / *Document de Référence*
• Auditors' fees 2005	15/05/06	website AMF / *Document de Référence*

Websites mentioned:

- Atos Origin – www.atosorigin.com
- AMF – www.amf-france.org > "*Décisions et informations financières*" > "*Communiqués des sociétés*"
- BALO – www.journal-officiel.gouv.fr

10 GLOSSARY – DEFINITIONS

Financial terms and Key Performance Indicators

- Current and non-current
- DSO
- EBITDA
- EPS
- Gearing
- Gross margin – Direct costs
- Indirect costs
- Interest cover ratio
- Leverage ratio
- Net debt
- Adjusted EPS
- Adjusted net income
- OMDA
- Operating income
- Operating margin
- Operational Capital Employed
- ROCE (Return Of Capital Employed)

Business Key Performance Indicators

- Attrition rate
- Backlog / Order cover
- Book-to-bill
- Direct and indirect staff
- External revenue
- Full Time Equivalent (FTE)
- Legal staff
- Order entry / bookings
- Organic revenue growth
- Permanent and temporary staff
- Pipeline
- Ratio S
- Subcontractors and interims
- TCV (Total Contract Value)
- Turnover
- Utilisation rate and non-utilisation rate

Business terms

- BPO
- CMM
- CRM
- ERP
- LAN
- MMS
- SCM
- WAN

Market terms

- Consensus
- Dilutive instruments
- Dividends
- Enterprise Value (EV)
- Free float
- Free float capitalisation
- Market capitalisation
- PEG (Price Earnings Growth)
- PER (Price Earnings Ratio)
- Volatility

10.1. Financial terms and key performance indicators used in this document

Operating margin. Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganisation and rationalisation costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

Operating income. Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation). For Atos Origin, EBITDA is based on Operating margin less non-cash items and is referred to as **OMDA** (Operating Margin before Depreciation and Amortisation)

OMDA (Operating Margin before Depreciation and Amortisation) is calculated as follows:

Operating margin

- Less – Depreciation of fixed assets (as disclosed in the "Financial Report")
- Less – Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial Report")
- Less – Net charge of provisions for pensions (as disclosed in the "Financial Report")
- Less – Equity-base compensation

Gross margin and **Indirect costs.** Gross margin is composed of revenues less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realisation of the revenue. The operating margin comprises gross margin less indirect costs.

Adjusted net income. Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

EPS (earnings per share). Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). **Adjusted EPS** is based on adjusted net income.

Operational capital employed. Operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

Current and non-current assets or liabilities. A current and non-current distinction is made between assets and liabilities on the balance sheet. Atos Origin has classified as current assets and liabilities those that Atos Origin expects to realise, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

Net debt. Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitisation and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

DSO (Days' sales outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Gearing. The proportion, expressed as a percentage, of net debt to total shareholders' equity (Group share and minority interests).

Interest cover ratio. Operating margin divided by the net cost of financial debt, expressed as a multiple.

Leverage ratio. Net debt divided by OMDA.

ROCE (return on capital employed). ROCE is net income (Group share), before the net cost of financial debt (net of tax) and the depreciation of goodwill, divided by capital employed.

10.2. Market terms

Consensus. Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

Dilutive instruments. Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

Dividends. Cash or stock payments from a company's profits that are distributed to stockholders.

Free float. Free float is the proportion of a Group's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- *Shares held by Group companies*

  Shares of the listed company held by companies that it controls within the meaning of article 233-3 of the French Commercial Code.

- *Shares held by founders*

  Shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc).

- *Shares held by the State*

  Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State.

- *Shares within the scope of a shareholders agreement*

  Shares subject to a shareholders' agreement within the meaning of articles 233-10 and 11 of the French Commercial Code, and other than those held by founders or the State.

- *Controlling interest*

  Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233-3 of the French Commercial Code.

- *Interests considered stable*

  Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

Free-float capitalisation. The share price of a company multiplied by the number of free-float shares as defined above.

Market capitalisation. The share price of a company multiplied by the number of its shares in issue.

Volatility. The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

Enterprise Value (EV). Market capitalisation + debt.

PER (Price Earnings Ratio). Market capitalisation divided by net income for a trailing (or forward) 12-month period.

PEG (Price Earnings Growth). Price-earnings ratio divided by year-on-year earnings growth.

10.3. Business terms

BPO (Business Process Outsourcing). Outsourcing of a business function or process, *e.g.* administrative functions such as accounting, HR management, call centers, etc.

CMM (Capability Maturity Model). CMM is a method for evaluating and measuring the competence of the software development process in an organisation on a scale of 1 to 5.

CMMI. Capability Maturity Model Integration.

CRM (Customer Relationship Management). Managing customer relationships (after-sales service, purchasing advice, utilisation advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

ERP (Enterprise Resource Planning). An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

LAN (Local Area Network). A local network that connects a number of computers within a single building or unit.

MMS (Multimedia Message Service). A message capable of carrying text, sounds, fixed or animated colour images, generally sent to a mobile phone.

SCM (Supply Chain Management). A system designed to optimise the logistics chain, aimed at improving cost management and flexibility.

WAN (Wide Area Network). A long-distance network that generally comprises several local networks and covers a large geographical area.

10.4. Business KPIs (key performance indicators)

10.4.1. Revenue

External revenue. External revenue represents Atos Origin sales to third parties (excluding VAT, nil margin pass-through revenue).

Book-to-bill. A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

Order entry / bookings. The total value of contracts (TCV), orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognised.

TCV (Total Contract Value). The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

Backlog / Order cover. The value of signed contracts, orders and amendments that remain to be recognised over their contract lives.

Pipeline. The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

Organic growth. Organic growth represents the % growth of a unit based on a constant scope and exchange rates basis.

10.4.2. Human Resources

Legal staff. The total number of employees under Atos Origin employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

FTE (Full-time equivalent) staff). The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance - unpaid vacation. For subcontractors and interims, potential workable hours are based on the number of hours billed by the supplier to Atos Origin.

Subcontractors. External subcontractors are third-party suppliers. Outsourced activities *(e.g.* printing or call centre activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

Interims. Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

Direct Staff. Direct staff include permanent staff and subcontractors, whose work is billable to a third party.

Indirect staff. Indirect staff include permanent staff or subcontractors, who are not billable to clients. Indirect staff are not directly involved in the generation of products and/or services delivered to clients.

Permanent staff. Permanent staff members have a contract for an unspecified period of time.

Temporary staff. Temporary staff have a contract for a fixed or limited period of time.

Ratio S. Measures the number of indirect staff as a percentage of total FTE staff, including both own staff and subcontractors.

Staff turnover and **attrition rate** (for legal staff). Turnover and attrition rates measure the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period.

Turnover measures the percentage of legal staff that has left the business in a defined period.

Attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

Utilisation rate and **non-utilisation rate.** Utilisation rate + non-utilisation rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel).

Utilisation rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilisation rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

PERSONS RESPONSIBLE FOR THE DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

Person responsible for the Reference Document

Philippe Germond

Chairman of the Management Board and Chief Executive Officer

Person responsible for the accuracy of the Reference Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements for 2007 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management Report here attached gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the registration document and examined the information in respect of the financial position and the historical accounts contained therein.

Philippe Germond

Chairman of the Management Board and Chief Executive Officer

Persons responsible for the audit of the financial statements

Appointment and term of offices

Statutory Auditors	Substitute Auditors
Grant Thornton **Daniel Kurkdjian and Vincent Papazian**	**Cabinet IGEC, 3, rue Léon-Jost, 75017 Paris**
Appointed on: 30 May 2002 for a term of 6 years	Appointed on: 30 May 2002 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2007 financial statements	Term of office expires: at the end of the AGM held to adopt the 2007 financial statements
Deloitte & Associés **Jean-Paul Picard and Jean-Marc Lumet**	**Cabinet B.E.A.S., 7/9, villa Houssay, 92200 Neuilly-sur-Seine**
Appointed on: 23 May 2006 for a term of 6 years	Appointed on: 23 May 2006 for a term of 6 years
Term of office expires: at the end of the AGM held to adopt the 2011 financial statements	Term of office expires: at the end of the AGM held to adopt the 2011 financial statements

Auditors fees

	Total			Deloitte			Grant Thornton		
(in EUR thousand)	**2007**		2006	**2007**		2006	**2007**		2006
	Amount	%	Amount	**Amount**	%	Amount	**Amount**	%	Amount
Audit									
Statutory & consolidated accounts	6,263	87%	5,539	3,656	81%	3,408	2,607	97%	2,131
Parent company	*1,812*	*25%*	*1,677*	*1,098*	*24%*	*1,045*	*714*	*27%*	*632*
Subsidiaries	*4,451*	*62%*	*3,862*	*2,558*	*57%*	*2,363*	*1,893*	*71%*	*1,499*
Other audit services	698	10%	1,134	630	14%	793	68	3%	341
Parent company									
Subsidiaries	*698*	*10%*	*1,134*	*630*	*14%*	*793*	*68*	*3%*	*341*
Subtotal Audit	**6,962**	**97%**	**6,673**	**4,287**	**95%**	**4,201**	**2,675**	**100%**	**2,472**
Non audit services									
Tax & Legal	210	3%	297	210	5%	276			21
Information technology									
Internal audit									
Other non audit services			5						5
Subtotal Non audit	**210**	**3%**	**302**	**210**	**5%**	**276**		**%**	**26**
Total	**7,172**	**100%**	**6,975**	**4,497**	**100%**	**4,477**	**2,675**	**100%**	**2,498**

AMF CROSS-REFERENCE TABLE

This document is a full free translation of the original French text. The original document no. D.08-218 has been filed with the *Autorité des marchés financiers* (AMF) on 9 April 2008, in accordance with article 212-13 of the AMF's general regulations.

This document may be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

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In accordance with the requirements of article 28 of EC regulation no. 809-2004 dated 29 April 2004 relating to documents issued by issuers listed on markets of states members of the European Union ("Prospectus Directive"), the following elements are enclosed by reference:

- the consolidated accounts for the year ended 31 December 2006 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document (*Document de référence*) n° D.07-302 filed with the *Autorité des Marchés Financiers* (AMF) on 6 April 2007;
- the consolidated accounts for the year ended 31 December 2005 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document *(Document de Référence)* no. D.06-402 filed with the *Autorité des marchés financiers* (AMF) on 15 May 2006;
- the consolidated accounts for the year ended 31 December 2004 under French accounting principles, the related statutory auditors' reports and the Group management report presented within the registration document *(Document de Référence)* no. D.05-0800 filed with the *Autorité des marchés financiers* (AMF) on 30 May 2005.

The chapters of the registration documents 2006, 2005 and 2004 not mentioned above either do not apply to investors or are covered in another part of the present registration document.

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CONTACTS

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Details of current job opportunities can be found in our Careers pages.

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