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**reference  
document  
2011**

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**Bringing  
together  
people,  
technology  
& business  
to power  
progress**

**Atos**

# CONTENTS

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## **A. Group overview**

<b>A.1</b>	Business profile	3
<b>A.2</b>	Revenue profile	5
<b>A.3</b>	CEO Message	6
<b>A.4</b>	Persons responsible	8
<b>A.5</b>	Atos in 2011	9
<b>A.6</b>	Group presentation	14
<b>A.7</b>	Stock market overview	21

## **B. Atos positioning in the IT market**

<b>B.1</b>	Overview	22
<b>B.2</b>	Strategy, organization and objectives for 2012	38
<b>B.3</b>	Sales and Delivery	48
<b>B.4</b>	Human Resources policy and talent development	79
<b>B.5</b>	Corporate and social Responsibility	85

## **C. Financials**

<b>C.1</b>	Pro forma	100
<b>C.2</b>	Operational review	101
<b>C.3</b>	Financial review	125
<b>C.4</b>	Consolidated financial statements	134
<b>C.5</b>	Notes to the consolidated statements	153
<b>C.6</b>	Parent company summary statements	201

## **D. Risks, Governance and Common stock**

<b>D.1</b>	Risk analysis	223
<b>D.2</b>	Corporate Governance	232
<b>D.3</b>	Report Chairman of the Board of Directors on Corporate Governance and Internal Control	240
<b>D.4</b>	Executive compensation and stock ownership	256
<b>D.5</b>	Resolutions	268
<b>D.6</b>	Code and charts	270
<b>D.7</b>	Common stock evolution and performance	274

## **E. Appendix**

<b>E.1</b>	Definitions	294
<b>E.2</b>	AMF cross-reference table	300
<b>E.3</b>	Locations and contacts	312
<b>E.4</b>	Full index	316

# A. GROUP OVERVIEW

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<b>A.1</b>	Business profile	3
<b>A.2</b>	Revenue profile	5
<b>A.3</b>	CEO Message	6
<b>A.4</b>	Persons responsible	8
<b>A.5</b>	Atos in 2011	9
<b>A.6</b>	Group presentation	14
<b>A.7</b>	Stock market overview	21

## A.1 Business profile

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Atos is an international information technology services company with annual pro forma revenue of EUR 8,5 billion and 74,000 employees in 48 countries. Serving a global

client base, it delivers hi-tech transactional services, consulting and technology services, systems integration and Managed Services.

### **Our expertise covers a wide range of specialties and we are always seeking new opportunities and innovations.**

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#### **Managed Services - Transforming IT infrastructure and business operations**

As the undisputed leader in Managed Services in Europe, we can provide all the "design, build and operate" elements of a complete outsourcing solution. We manage and transform all the IT operations of our clients, including the management of their entire information and data processing systems.

#### **Systems Integration - Delivering seamless business systems**

We have a strong portfolio of Systems Integration offerings to provide increased added value for clients. Our enhanced distributed delivery model has quality, scalability, predictability and flexibility at low price point, and we have a strong nearshore and offshore presence. We continue to adapt our existing portfolio to cater for the increasing demand for Software-as-a-Service.

#### **Hi-Tech Transactional Services & Specialized Businesses - Advancing business strategy through innovative processing solutions**

Through our Atos Worldline SBU (Specialized Business Unit), we are a European leader in payment services. We

are specialize in electronic payment services (issuing, acquiring, card and non-card payment solutions and processing), e-Services for Customers, Citizens and Communities, and financial markets. With the Atos Worldgrid, specialized business unit, we will focus on offering smart energy solutions around production, transport, distribution and retail, to enable energy efficiencies and increase sustainability, while improving operational performance.

#### **Consulting & Technology Services - Transforming business through innovation leveraging Information Technologies**

Atos Consulting & Technology Services help clients deliver innovation to their customers and improve cost and effectiveness by leveraging Information Technologies. With over 7,500 experts we provide advisory services and expertise so that our clients keep control of their processes and projects, can customize as much as required by directly managing the resources provided, and keep ownership of their assets and systems

### **A strong global industry focus backed-up by a comprehensive go-to-market approach.**

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The customers of the Group are large multi-national groups and organizations and medium and small size companies which work with Atos in long term business partnerships. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing Retail & Services; Public, Health & Transports; Financial Services; Telecoms, Media & Technology; Energy & Utilities.

#### **Manufacturing, Retail & Services**

Success in manufacturing, retail and service today hinges on the ability to join everything up across the value chain. Atos knows how. We can help optimize operations at a single plant and drive actionable agility across the enterprise. Expertise in industry specific production and innovation processes combines with skill in MES and PLM

to deliver sustainable business value to our manufacturing, retail and services industry clients.

#### **Public Sector, Health & Transports**

Doing more with less remains the dominant theme in public services, underpinning the need for new models of IT service provisioning. Application modernization, secure Cloud Computing and shared services become pivotal in a sector in which cultural differences and process rather than technological change are often the biggest challenge. With its deep understanding of cultural diversity, Atos is an active partner in process and technology to governments, healthcare and transport service providers.

#### **Financial Services**

Even though banking and insurance companies face distinct and different pressures, both must excel in building reputation and loyalty with their clients. Maximum efficiency of back office processes must liberate resources focused on serving increasingly sophisticated customers. Atos supports the world's leading financial services companies through times of rapid change,

enabling innovative client engagement and clinical operational efficiency.

#### **Telecommunications, Media & Technology**

Telecommunications and media companies are the defining forces in the digital age: digital collaboration and communication are what makes today different. Companies are seeking new revenue streams as traditional business is eroded. Atos can help, bringing mastery of new media management and dynamic monetization to the table.

#### **Energy & Utilities**

Energy and utility companies can only compete if they can establish and sustain operational excellence in everything they do. The ability to master real-time information from the rig and the smart meter to the executive dashboard are now critical. Atos has over 30 years' specialist experience in these sectors and around 3,000 energy and utility industry IT experts, of which 1,500 work in our dedicated Atos Worldgrid unit.

## **Powering progress to transform to the firm of the future**

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Atos is focused on business technology that powers progress and helps organizations to create their firm of the future.

The Group is the Worldwide IT Partner of the International Olympic Committee in charge of the IT for the Olympic Games, but also active in other critical environments such as air traffic control, payment solutions, or security systems.

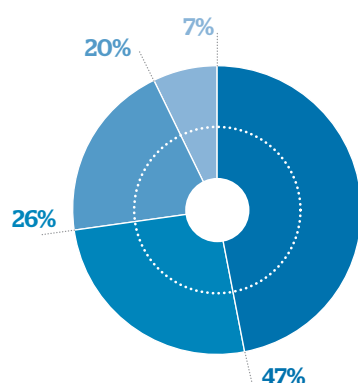
Client dedication, strong values, and people are the basis of Atos' unique success story. The Group delivers what it promises and what its clients expect, a measurable business value. As well, Innovation is part of the Atos DNA, we have the responsibility to think one step ahead to anticipate coming technology challenges and help our

clients to reinvent their growth models in the post-crisis economic environment.

As a global and responsible company, Atos is committed to implementing sustainable best practices in environmental, social and ethical areas throughout its organization and in its business, and contributes to promoting and developing sustainable attitude by positively influencing its stakeholders to take into consideration sustainability in their decision making. Atos helps its clients advance their future, reduce their carbon footprint and ensure future corporate viability through the delivery of innovative and greener solutions.

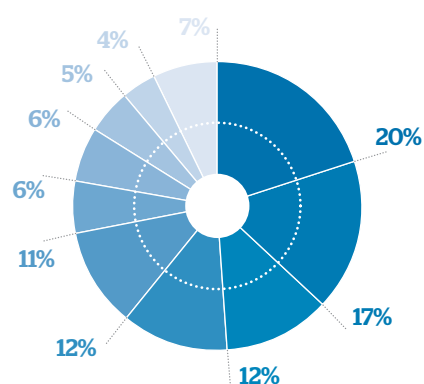
## A.2 Revenue profile

### A.2.1 Breakdown by Service Line



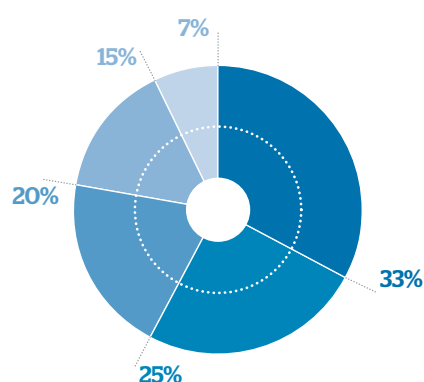
<i>In EUR million</i>	2011 PF 12m	2011 statutory	2010 CSER*
● Managed Services	3,952	2,892	2,842
● Systems Integration	2,241	1,771	1,806
● HTTS & Specialized Businesses	1,726	1,562	1,533
● Consulting & Technology Service	593	588	608
<b>Group</b>	<b>8,511</b>	<b>6,812</b>	<b>6,790</b>

### A.2.2 Breakdown by GBU



<i>In EUR million</i>	2011 PF 12m	2011 statutory	2010 CSER*
● Germany	1,703	1,100	1,054
● United-Kingdom & Ireland	1,461	1,195	1,146
● France	1,000	991	1,021
● Benelux	1,026	942	1,006
● Atos Worldline	913	913	903
● Central & Eastern Europe	526	311	283
● North America	498	304	276
● North & South West Europe	415	224	241
● Iberia	343	314	315
● Other BUs	626	519	545
<b>Group</b>	<b>8,511</b>	<b>6,812</b>	<b>6,790</b>

### A.2.3 Breakdown by Market



<i>In EUR million</i>	2011 PF 12m	2011 statutory	2010 CSER*
● Manufacturing, Retail & Services	2,855	2,130	1,982
● Public Sector, Healthcare & Transport	2,154	1,779	1,800
● Financial Services	1,674	1,408	1,434
● Telecoms, Media & Technology	1,250	959	989
● Energy & Utilities	579	537	584
<b>Group</b>	<b>8,511</b>	<b>6,812</b>	<b>6,790</b>

\*Constant scope and exchange rates

## A.3 CEO Message

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“Our goal is to help and support our customers to reinvent their models of future growth at a time of massive change that can affect them financially, economically, technologically and socially.”

Dear shareholders,

During 2011, Atos Origin became Atos, a leading information technology group worldwide, and in Europe, after the successful integration of Siemens IT Solutions and Services (SIS) that you massively approved at the extraordinary general assembly meeting on July 1<sup>st</sup>, 2011.

The new Atos generated EUR 8.5 billion revenue (pro forma 2011) with 74,000 employees, most of them engineers, in nearly 50 countries worldwide. It is ideally positioned to become a leader both in fundamental IT, through its unique Managed Services platform, and in critical IT, its high tech transactional services and specialized businesses representing already 20% of its turnover. In addition, Atos and Siemens have established a global industrial partnership.

While realizing Siemens IT Solutions and Services integration, your company achieved for the third year running, its objectives in terms of profitability, revenue and cash, despite the continuing difficult economic environment,

Group profitability is 62%, thanks to the swift deployment of the Total Operating Performance (TOP<sup>2</sup>) program, pursued in order to capture the synergies from the Siemens IT Solutions and Services integration. In addition, Atos returned to organic growth in 2011, demonstrating the positive impact of Siemens IT Solutions and Services acquisition. Finally, the Group debt was limited to EUR 142 million at the end of 2011, thanks to an increased free cash flow.

Overall, Atos has fully accomplished its three-year recovery plan (2009 - 2011). Since 2008, Atos has increased by 45% its number of engineers, 55% its revenues and 140 basis points its profitability (statutory) and above 250 basis point for Atos Origin standalone; it has also divided by 2 its net debt. This is reflected into Atos share price which has increased by nearly 200% over this period.

In 2012, your company will put emphasis on innovation, while continuing its strategy of growth and performance. Our goal is to help and support our customers to reinvent their models of future growth at a time of massive change that can affect them financially, economically, technologically and socially.

Early this year, we have announced a strategic alliance with global Cloud technology leaders EMC<sup>2</sup> and VMware

to address the growing Cloud market. By creating a new company, Canopy, we will provide a market-leading one-stop shop for Cloud services, enabling our customers to easily, securely and cost effectively accelerate their move to the Cloud. In parallel, we will continue to develop our activities high-tech transactional services, including technology advanced offerings for smart energy, smart mobility, security or content management. We will also deploy new technologies to support our Zero email<sup>TM</sup> initiative, improving collaboration and driving our ambition in enterprise social network.

Creating one of the most innovative and socially responsible companies to work for is indeed at the heart of our strategy, as I want to ensure that our people are at the heart of the reinvention of your company. Regarding our worldwide Wellbeing@work ambition, Atos Corporate and Social Responsibility report was awarded A+ by the Global Reporting Initiative, recognizing Atos' leading position in the field of sustainability. In addition, as part of its objective to be recognized as one of the best companies in terms of work environment, Atos has been awarded as "Best Workplace" in Poland and will participate to the Great Place to Work challenge in all its major geographies in 2012.

In summary, I remain convinced that while respecting our commitments semester after semester, demonstrating our ability to execute our transformation plans perfectly and anticipating the new technology trends post-crisis, at Atos we have all the ingredients for becoming one of the world leaders in information technology. In summer this year, the Olympic Games, for which we are the IT partner, will give a fantastic opportunity to show to our customers, partners and stakeholders what "powering progress" - our new brand signature - is all about.

This will be for you, dear shareholders, the Board of Directors and myself the best way to thank all those who contribute to our development and the realization of our objectives by participating in a lasting way to create shared value, and especially each of our 74,000 employees and engineers.

Best regards,

**Thierry Breton,**  
CEO and Chairman, Atos

## A.4 Persons responsible

### A.4.1 For the Reference Document

**Thierry Breton,**  
CEO and Chairman, Atos

### A.4.2 For the accuracy of the document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Reference 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 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 Reference Document and examined the information in respect of the financial position and the accounts contained herein.

The Consolidated Financial Statements for the year ended 31 December 2010 presented in the Reference Document filed with the AMF on 1<sup>st</sup> April 2011 under number D11-0210, have been subject to a report from the Statutory Auditors shown in section C.31 of that document, report with an observation on the changes in accounting policies relating to the recognition of actuarial gains and losses on pensions and to the first time application of the revised standards IFRS 3 "Business Combination" and IAS 27 "Individual and Consolidated Financial Statements".

The Consolidated Financial Statements for the year ended 31 December 2009 presented in the Reference Document filed with the AMF on 1<sup>st</sup> April 2010 under number D10-0199, have been subject to a report with an observation from the Statutory Auditors shown in section 22.1 of that document.

**Thierry Breton,**  
CEO and Chairman, Atos  
Bezons, 4<sup>th</sup> April 2012

### A.4.3 For the audit

#### Appointment and term of offices

Statutory Auditors	Substitute Auditors
<p><b>Grant Thornton</b></p> <p>Vincent Frambourt</p> <ul style="list-style-type: none"> <li>Appointed on: 12 June 2008 for a term of 6 years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2013 financial statements</li> </ul>	<p><b>Cabinet IGEC, 3, rue Léon Jost, 75017 Paris</b></p> <ul style="list-style-type: none"> <li>Appointed on: 12 June 2008 for a term of 6 years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2013 financial statements</li> </ul>
<p><b>Deloitte &amp; Associés</b></p> <p>Christophe Patrier</p> <ul style="list-style-type: none"> <li>Appointed on: 23 May 2006 for a term of 6 years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2011 financial statements</li> </ul>	<p><b>Cabinet B.E.A.S., 7/9, Villa Houssay 92200 Neuilly-sur-Seine</b></p> <ul style="list-style-type: none"> <li>Appointed on: 23 May 2006 for a term of 6 years</li> <li>Term of office expires: at the end of the AGM held to adopt the 2011 financial statements.</li> </ul>



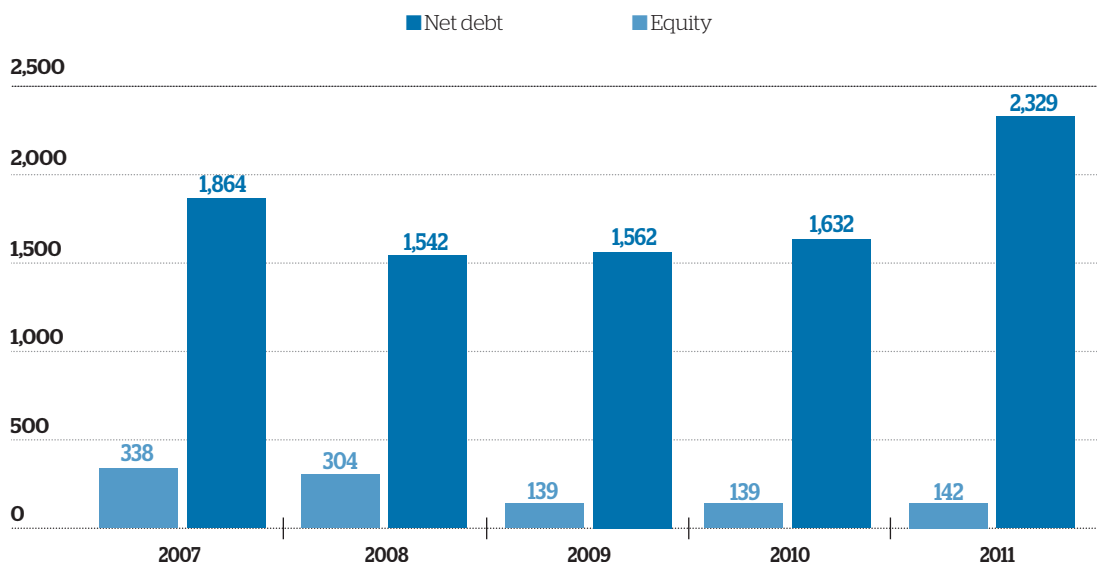
## A.5 Atos in 2011

### A.5.1 Income statement

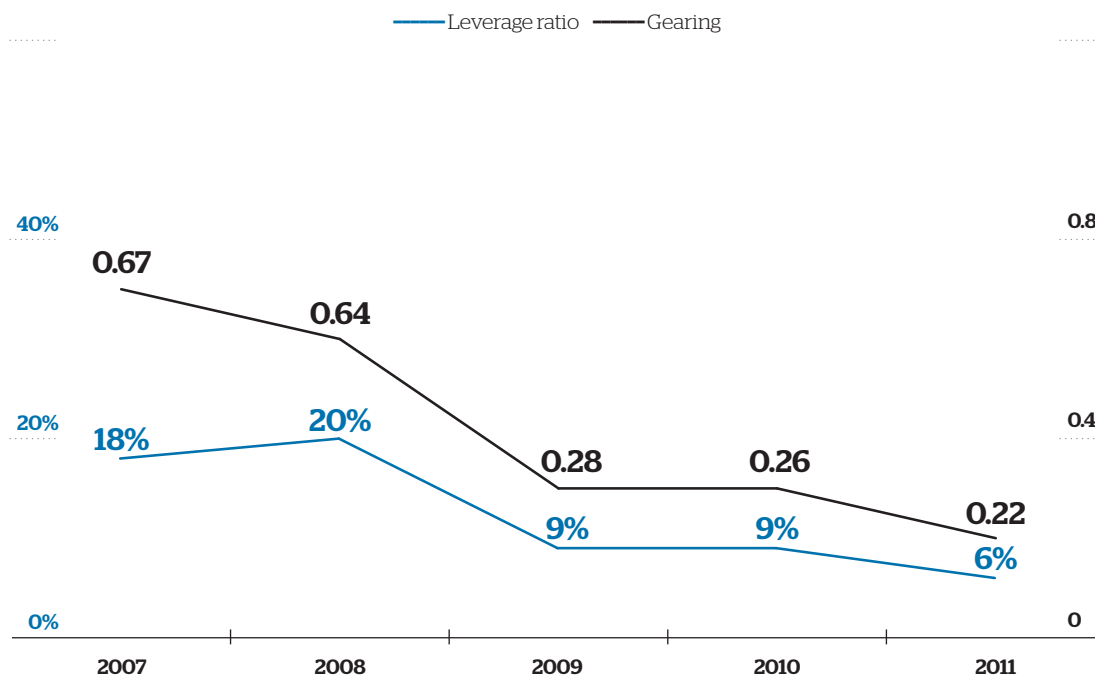
In EUR million	Exercice 2011	Exercice 2010
<b>Revenue</b>	<b>6,812.5</b>	<b>5,020.6</b>
Personnel expenses	-3,564.2	-2,809.5
Operating expenses	-2,825.9	-1,873.7
<b>Operating margin</b>	<b>422.4</b>	<b>337.4</b>
<b>% of revenue</b>	<b>6.2%</b>	<b>6.7%</b>
Other operating income and expenses	-74.7	-137.3
<b>Operating income</b>	<b>347.7</b>	<b>200.1</b>
<b>% of revenue</b>	<b>5.1%</b>	<b>4.0%</b>
Net cost of financial debt	-27.8	-17.8
Other financial expenses	-82.3	-35.1
Other financial income	74.7	28.8
Net financial income	-35.4	-24.1
<b>Net income before tax</b>	<b>312.3</b>	<b>176.0</b>
Tax charge	-129.3	-57.8
Share of net profit/(loss) of associates	-0.2	-
<b>Net income</b>	<b>182.8</b>	<b>118.2</b>
Of which:		
- attributable to owners of the parent	181.6	116.1
- non-controlling interests	1.2	2.1
In EUR and number of shares		
Weighted average number of shares	76,019,755	69,334,351
<b>Net income - Attributable to owners of the parent</b>	<b>2.39</b>	<b>1.67</b>
Diluted weighted average number of shares	88,190,646	75,949,131
<b>Net income - Attributable to owners of the parent</b>	<b>2.20</b>	<b>1.64</b>

A.5.2 Key graphs

5-year net debt and equity at 31 December evolution

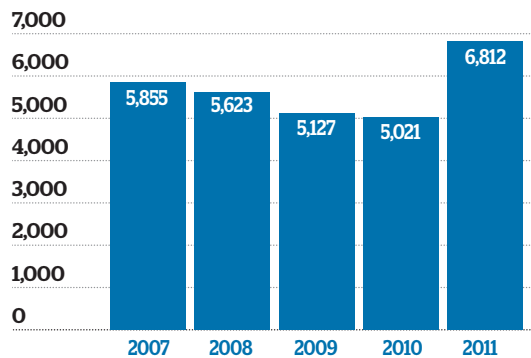


5-year net debt/equity and leverage ratio at 31 December evolution

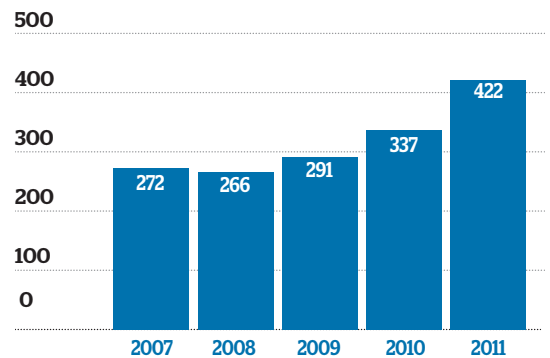


2009 figures: including SoRIE impact; 2006 to 2008 and 2010 to 2011 figures: statutory

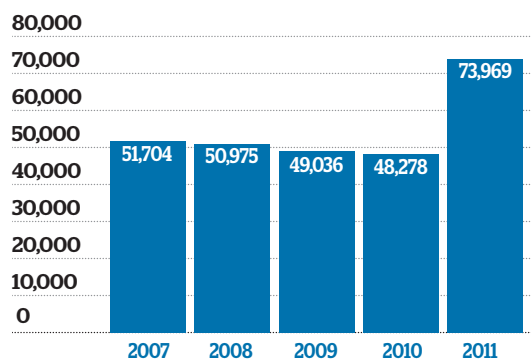
**5-year revenue performance in EUR million**



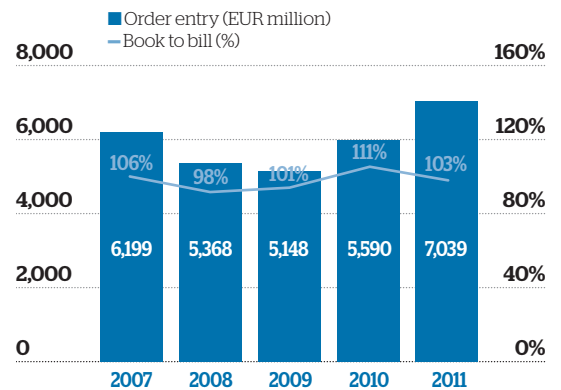
**5-year operating margin in EUR million**



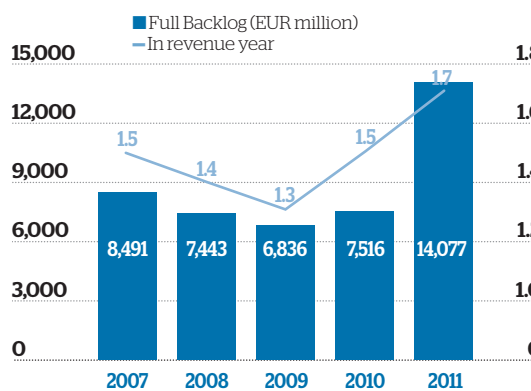
**5-year employee evolution**



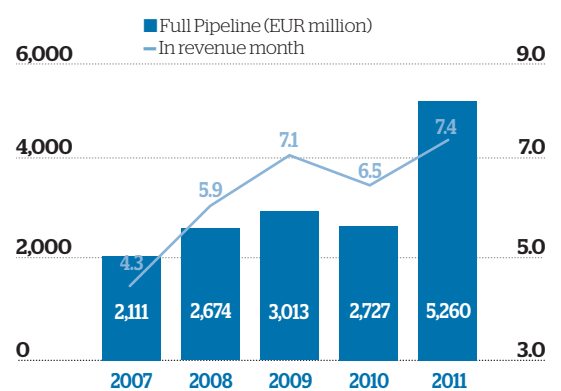
**Order entry**



**Full backlog**



**Full pipeline**



Full

2009 figures: including SoRIE impact; 2006 to 2008 and 2010 to 2011 figures: statutory

#### A.5.3

#### Key achievements

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##### February 3<sup>rd</sup>, 2011

Atos, Bouygues Telecom, Orange and SFR have formed a new joint venture (JV) company to launch an innovative payment solution. The new solution is being backed by major online retailers in France, including Aquarelle, Brandalley, Darty and Rue du Commerce.

Buyster is an innovative, simple, fast and secure remote payment solution for fixed and mobile Internet purchases, which will be available in France from mid-2011. Against a backdrop of sustained growth in eCommerce and an increase in purchases being made from new types of screen, including smartphones and touchscreen devices, the three French mobile operators (Bouygues Telecom, Orange and SFR) and Atos, through Atos Worldline, a European leader in electronic transactions and secure payments, are bringing together their expertise in telecoms and payment to launch this new solution.

##### May 4<sup>th</sup>, 2011

Atos Worldgrid, an international entity of Atos and a world leader in smart energy, has formed a joint venture with ZTE, a leading Chinese telecom equipment provider, in order to address the growing smart energy market in China. The Joint Venture will deliver advanced meter management solutions and other smart grid related IT services to Utilities in China. ZTE will run the day to day operations and Atos Origin will provide its innovative smart grid expertise. The new entity will have its own R&D capabilities to retain its technology edge. The joint venture will be headquartered in Nanjing, China.

##### June 1<sup>st</sup>, 2011

Atos publishes its second Corporate Responsibility report in line with the guidelines from the Global Reporting Initiative (GRI) - the international standard for sustainability reporting. The GRI has rated the Atos Origin 2010 report Level A+.

##### July 1<sup>st</sup>, 2011

Atos has announced that it has completed the acquisition of Siemens IT Solutions and Services - to become a new IT champion with pro forma 2011 annual revenues of EUR 8.5 billion and 74,000 employees across 48 countries.

The transaction was approved by Atos Extraordinary Shareholders' Meeting by 99.99% of the shareholders. Atos has confirmed at the same time that it has signed one of largest IT outsourcing deals with Siemens worth EUR 5.5 billion over seven years to take over management of all IT infrastructure, applications and services.

With the combined expertise and knowledge of Siemens IT Solutions and Services and Atos Origin, Atos is positioned to help our clients in the new era of IT. At Atos, we have unrivalled expertise in transactional services and as the number one data centre provider in Europe, are best positioned to help our clients transfer smoothly to the Cloud to benefit from increased flexibility and reduced costs.

Ranked in the top ten global IT services providers, number five in Managed Services worldwide and the number one European player in Europe, the new company is a powerful combination of two highly complementary organizations. Together as Atos, they create a leader in foundation and business critical IT services that will accelerate growth.

In Managed Services, the acquisition of Siemens IT Solutions and Services more than doubles the capability and capacity of Atos to position it as one the leaders in Cloud Computing with 30 major data centers, 900,000 SAP users and management of more than 90,000 servers globally.

The deal reinforced the commitment of Atos to innovation and accelerated its strategy to further grow its business in transactional services. Through joint go-to-market plans and joint investment programs with Siemens, Atos has more opportunity to extend its successful Atos Worldline business to new markets, geographies and clients.

At the same time, Siemens became an Atos shareholder with a 15% stake and the biggest Atos client. In addition the two companies have formed a strategic global partnership to jointly develop new IT products and solutions for which both parties are committed to investing 50 million euros each. This strategic partnership will enable collaboration on large bids and joint R&D efforts in key markets to

strengthen innovation and secure new business opportunities across all markets.

Following the success of the six month integration program, which was set up to select the best practices from both companies, to identify the new portfolio and to align core operating processes, Atos was operating as one company from the first of July.

#### **July 26<sup>th</sup>, 2011**

Atos announced an extension to its current partnership with the International Paralympic Committee (IPC) to include the London 2012 Paralympic Games.

Under the agreement between Atos and the IPC, Atos will further contribute to the development of the Paralympic Movement by designing, building and running its new website, [www.paralympic.org](http://www.paralympic.org), which aims to become the worldwide information source for the Paralympic Movement. Atos will also continue to collaborate with the IPC and engage in joint activities to support the International Paralympic Foundation.

Atos confirmed that, with just over one year to go to the start of the London 2012 Games, the technology it is delivering on behalf of London 2012 and together with the other technology partners is on-track and on-schedule.

#### **October 17<sup>th</sup>, 2011**

Atos, launches its inaugural IT Challenge. It is a competition looking for the IT talents of the future from 25 universities based in France, Germany, India, Netherlands, Spain, and the UK.

As business technologists who power progress, Atos is encouraging the next generation, to start coding, drafting, sketching and prototyping smart mobility applications in teams of between two and five people, mentored by members of the Atos Scientific Community - a global network of around 90 of the best business technologists within Atos. The winning team will be announced in May 2012 and each member of the overall winning team will receive a once-in-a-lifetime opportunity.

#### **November 8<sup>th</sup>, 2011**

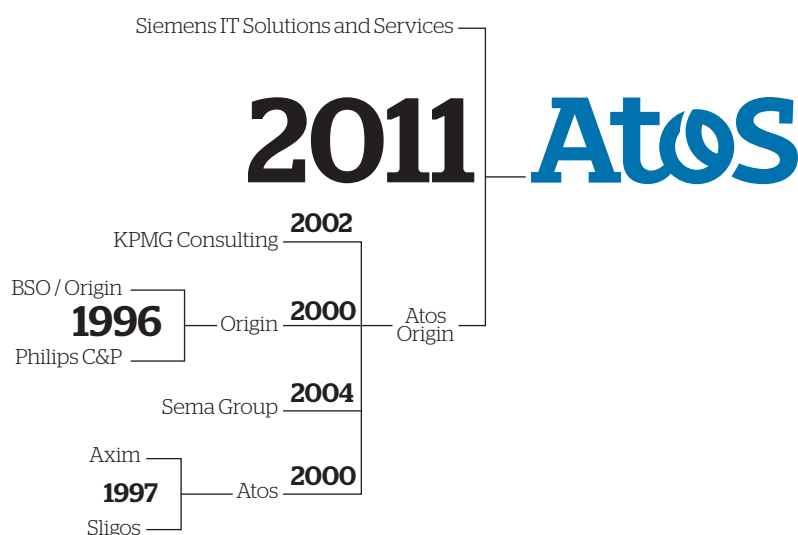
Atos and UFIDA, the Chinese leader in management software solutions in Asia-Pacific, jointly announced that they formed a Joint Venture, Yunano™ in order to address the growing Cloud market in Europe and China, targeting in priority midsize organization, whether stand alone or subsidiaries of large corporations.

Yunano™ provides innovative services for customers that can be localized with one-stop products, services and Cloud applications ranging from financial system, ERP management software to IT consultation. The new entity has its dedicated Cloud ERP resources and R&D capabilities to retain its technology edge. The two companies invested 5.7 million euros for the joint venture Yunano™, of which Atos has 70% and UFIDA has 30% shares of stocks respectively. The Joint Venture is headquartered in Bezons, near Paris, France.

## A.6 Group presentation

### A.6.1 Formation of the Group

Atos is a leading international IT services company created through series of mergers and acquisitions, starting in 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.

On July 1<sup>st</sup>, 2011, Atos, has announced that it has completed the acquisition of **Siemens IT Solutions and Services** - to become a new IT champion. The deal creates a new company with pro forma 2011 annual revenues of EUR 8.5 billion and 74,000 employees across 48 countries. Ranked in the top ten global IT services providers; number five in Managed Services worldwide and the number one European player in Europe, the new company is a powerful combination of two highly complementary organizations. Together as Atos, they create a leader in foundation and business critical IT services that will accelerate growth.

## A.6.2 Management and organization

Atos is incorporated in France as a "Société Anonyme" (Joint Stock Corporation) with a Board of Directors chaired by Thierry Breton, Chairman and CEO.

### A.6.2.1 Group general management

The general management is composed of a Chairman and Chief Executive Officer and two Senior Executive Vice-Presidents.

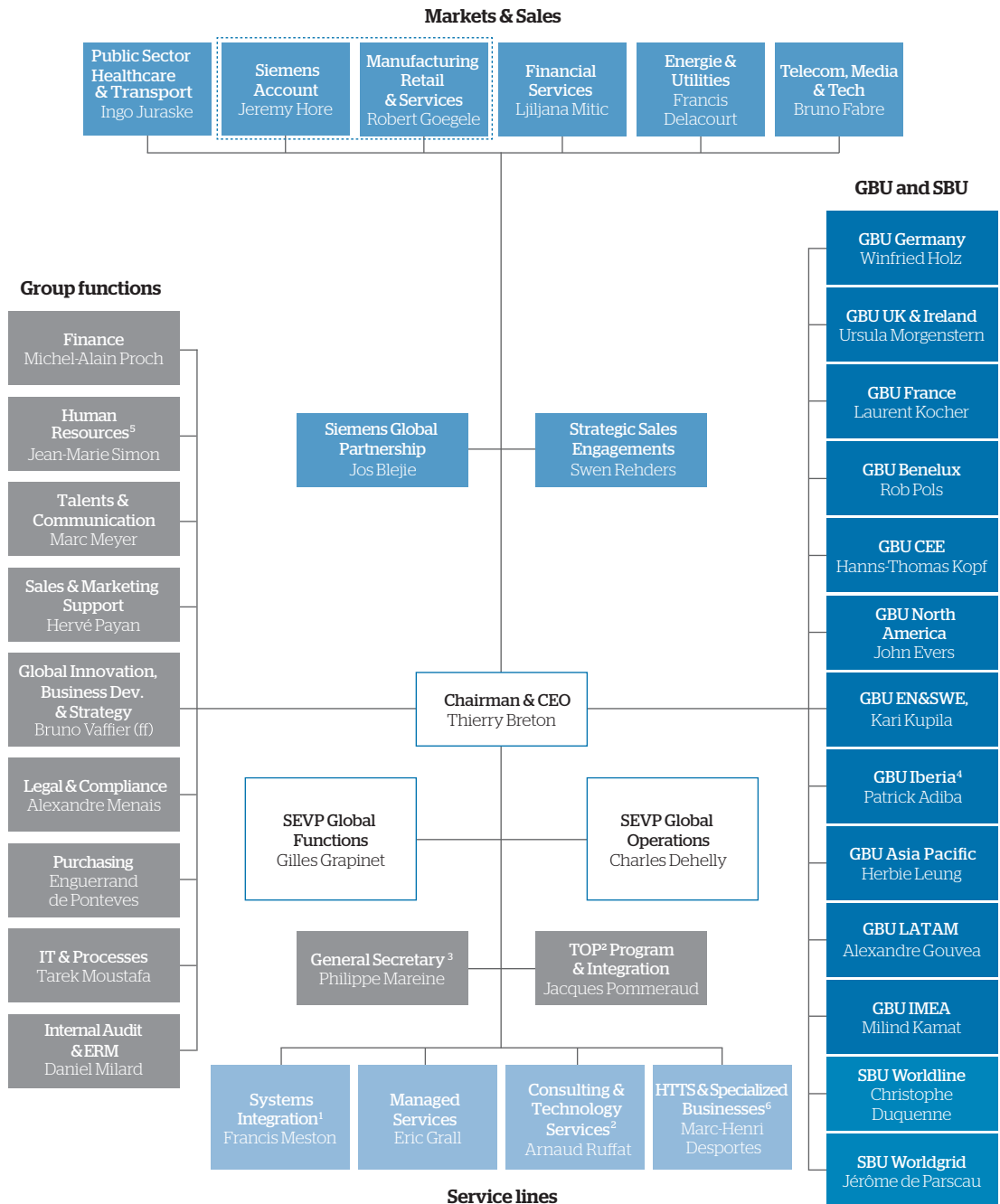
Name	Title	Responsibility
<b>Thierry Breton</b>	Chairman and Chief Executive Officer	
<b>Charles Dehelly</b>	Senior Executive Vice President in charge of Global Operations	Global Systems Integration & Managed Services, TOP <sup>2</sup> Program, Global Purchasing, Group Business Units (*)
<b>Gilles Grapinet</b>	Senior Executive Vice President in charge of Global Functions	Support functions, Global Sales & Markets, Strategic International Customers (SICs), Group Innovation Business Dvpt & Strategy (GIBS), Global Consulting and Hi-Tech Transactional Services

(\*) Excluding Atos Worldline and Atos Worldgrid that are under the responsibility of Gilles Grapinet.

# CONTENTS GROUP OVERVIEW

## A.6. Group presentation

### A.6.2.2 Organization chart



1 Which includes Application Management and SAP Global Practice  
 2 Which includes Professional Services  
 3 Responsible also for Legal & Compliance and Internal Audit

4 Which includes Major Events. Major Events runs on a separate P&L  
 5 Includes Logistics and Housing  
 6 Includes BPO



### A.6.2.3 The Executive Committee

The role of the executive committee is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders and employees; Its role is also to improve interaction and cooperation between the Specialized and Global Business Units, the Global Service Lines, and Global Functions.

#### The Atos Executive Committee is composed of:

##### **Thierry Breton, Chairman & CEO**

Former French Minister of Economy, Finance and Industry, Thierry Breton was Chairman and CEO of France Telecom, the second European telecommunications operator, and CEO of Thomson.

He was previously Executive Managing Director and then Vice Chairman of the Bull Group. Thierry Breton taught leadership and corporate governance at Harvard Business School. He is a graduate of the Ecole Supérieure d'Electricité "Supelec" of Paris and of the Institut des Hautes Etudes de Défense Nationale. He has been honored with the prestigious awards of "Officier de la Légion d'Honneur" and "Commandeur de l'Ordre National du Mérite".

##### **Charles Dehelly, Senior Executive Vice President, Global Operations**

Charles Dehelly began his career at the Thomson Group where in 1981 he was CEO of Home Appliance divisions and later CEO of the Television division. Joining the Bull Group in 1992 as Group Chief Operating Officer, he returned to Thomson in 1998 as Chief Operating Officer then as Chief Executive Officer. In 2004 he became CEO of the Equant Group, then CEO of the Arjowiggins Group.

##### **Gilles Grapinet, Senior Executive Vice President, Global Functions**

A graduate of the Ecole Nationale d'Administration, Gilles Grapinet's previous roles include financial auditor, Head of Strategy & Information Systems of the French tax directorate, Director of the nation-wide Copernicus program for IT transformation of the tax administrations and Executive Committee member at Credit Agricole SA, in charge of Payment systems & Services. He served as advisor for Economic and Financial Affairs of the French Prime Minister & as Chief of Staff for two French Ministers of Economy and Finance.

#### Group Functions members

##### **Michel-Alain Proch, Head of Finance**

Graduated from the Ecole Supérieure de Commerce de Toulouse in 1991 and from Etudes Supérieures Comptables et Financières, he started his career at Deloitte in 1992, where he spent six years in Paris in the

Manufacturing Audit division and in London in Transactional Services. In 1998, he joined Hermès, first as Director of Internal Audit and then as Group Financial Controller and CFO for Americas, based in New York, supervising all functions of Finance, IT, logistics and "Store planning". He returned to Europe in 2006 to join Atos as Director of Internal Audit and Risk Management before being appointed Executive Vice President & Group Chief Financial Officer in 2007.

##### **Jean-Marie Simon, Head of Human Resources**

Jean-Marie Simon was appointed as Human Resources director in 2007. Previously, he was HR Director France, Germany & Central Europe from 2005 to 2007. He held various management positions within Schlumberger, as Managing Director in R&D and production centers. He worked in Indonesia, as technical director for Asia, and in Norway and was before CIO for the oil sector of Schlumberger during three years.

##### **Philippe Mareine, General Secretary of the Group, is the Secretary of the Executive Committee.**

He was manager in the French Treasury Department's Inspection Générale des Finances unit and, previously, he was in charge of HR in the public accounts department of the French Ministry for the Budget. From 2005 to 2007, He was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration, after spending the first four years of his career in the Inspection Générale des Finances. He is a graduate from the Ecole Polytechnique and Ecole Nationale d'Administration.

##### **Marc Meyer, Head of Talents Management & Communications**

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronic firm and in 2001 was promoted to the company Executive Committee. Then, he joined the France Telecom / Orange Group as Executive Vice President for Communications. He is a graduate from the Sorbonne University in Paris.

##### **Hervé Payan, Head of Sales & Marketing Support**

Hervé Payan comes from Steria where he was Deputy CEO of Steria France. Hervé is a graduate from the Ecole Supérieure de Commerce de Paris. After 10 years in Consulting, mostly with Cap Gemini Consulting and AT Kearney, Hervé has been Sales Director at EDS France from 2002 to mid-2005. Before joining Steria in March 2007, he

## CONTENTS GROUP OVERVIEW

### A.6. Group presentation

was from mid-2005, Director of the Consulting business at EDS Consulting EMEA, where he led a team of 1,200 consultants in twelve countries. In the previous organization within Atos Origin, he was Head of Global Sales and Markets and Global Consulting.

#### Markets

##### **Ingo Juraske, Head of Public Sector, Healthcare & Transport**

Ingo Juraske joined Atos through the merger with Siemens IT Solutions and Services from HP in 2011. At HP, he served as Vice President Public Sector, Healthcare and Life Sciences Europe, Middle East, Africa since 2004. During that time, he drove HP's 1<sup>st</sup> Cloud Computing project to reference and customer award status and developed the EU, NATO, UN and Life Sciences accounts into HP's Top Global Accounts. Prior to that role, Ingo Juraske served in a variety of pre-sales consulting and alliance management roles at HP, originally joining from Compaq Computers in 1991. Previously, Ingo was in leading Quality Management and Systems Engineering roles at Nixdorf Computer for 7 years. Ingo Juraske graduated in Electrical Engineering and Computer Science at Technical University in Berlin.

##### **Jeremy Hore, Head of Siemens Account**

Jeremy started his career with Schlumberger as a Field Engineer and subsequently worked across Asia and the Middle East managing technology projects and operations. From 2004 to 2008, as Chief Integrator for the Beijing 2008 Olympic Games, he led the Atos team that successfully delivered the Information Technology systems and services for this remarkable event. Prior to taking on the role of managing the Siemens Account, he was Chief Operations Officer for Asia. He graduated from University of South Australia with a Bachelor of Electrical Engineering (Hons) and later earned an MBA at Erasmus University, Netherlands.

##### **Robert Goegele, Head of Manufacturing, Retail & Services**

Robert Goegele started his career at Siemens AG in 1988 as a student trainee. After 4 year in Product Management and Technical Project Management he was transferred to South Africa for 11 years where he completed his assignment as CEO for Siemens IT Solutions and Services Southern Africa. In the following role he became responsible for global sales and managed the Siemens IT Solutions and Services Corporate Sales and Marketing function for three years out of Munich. He took then responsibility for the global financial services business unit before he moved on to a three year assignment as CEO for Siemens IT Solutions and Services Italy and South West Europe. In April 2010 Robert Gógele was appointed CEO of Siemens IT Solutions and Services Germany, the

biggest and top-selling Siemens IT Solutions and Services country organization.

##### **Dr. Ljiljana Mitic, Head of Financial Services**

After studying international business at the Fachhochschule Dortmund and at the University of Plymouth she accomplished her PhD at the University of Plymouth. She began her career in 1992 as a consultant at mbp Software & Systems GmbH. In 1993 she moved to EDS Electronic Data Systems Deutschland GmbH, where she hold different responsibilities from consulting to business management. Between 1999 and end 2004 she was responsible for the IT Infrastructure organization globally, at WestLB Systems GmbH. In 2005, Ljiljana Mitic joined Hewlett-Packard GmbH as Sales Director Financial Services Germany. Since October 2010, Dr. Ljiljana Mitic was appointed as Global Head of Financial Services being responsible for key customers for Siemens IT Solutions and Services GmbH.

##### **Francis Delacourt, Head of Energy & Utilities**

Graduated from ESSEC business school in Paris, Francis Delacourt, joined Atos Origin in 1991. He led the Managed Services service line in France, in the United Kingdom and in the Netherlands. Since 2004, he was head of Managed Services. Previously he was President of Dun & Bradstreet Software in France. Francis Delacourt was appointed as Global Head of Energy and Utilities being responsible Strategic International Accounts and deals.

##### **Bruno Fabre, Head of Telecom, Media and Technologies**

Bruno joined Atos Origin in 2010 and he was previously Thomson Telecom CEO and Member of the Thomson Executive Committee. Prior to that role, Bruno was CEO at ATLINKS, an Alcatel Thomson joint venture; Vice-President Sales, Supply Chain and Customer Care at Alcatel Mobile Phones, Sales Director Europe & South America at Alcatel Radiotelephone. He has also held senior positions at Afrique Métaux and SAGEM. He is a graduate from IDRAC, CNAM and Stanford SEP.

##### **Swen Rehders, Head of Strategic Sales & Engagements**

Before assuming within Atos, Swen Rehders was managing director of EDS Operations Services GmbH, the largest EDS Company in Germany. In 2001, he was appointed Regional Operations Director and Sales Manager, and he was able to make a significant contribution to the turnaround, the successful business growth and expansion of customer relationships. In his final role at EDS he was responsible for large-scale projects in continental Europe. Previously, he worked for Systematics AG. As a member of the Management Board, responsible for the entire infrastructure portfolio He also gained extensive experience in the sales and services areas during his

14 years at IBM. One of his roles there was Director of Project Sales for insurance customers in Germany, Austria and Switzerland.

#### **Jos Blejje, Head of Siemens Global Partnership**

Jos Blejje joined Atos Origin early 2000 coming from IBM Global Services and acted since then in various roles. After being responsible for the, in those days largest customer KPN, Jos became Executive Vice President Managed Services in the Netherlands leading a team of 3,500 people. From 2008 onwards Jos took on the challenge of sales and marketing as SVP Sales and Client management. Since July 2011 he leads the global partnership between Siemens and Atos. Jos studied accountancy and started his career with Price Waterhouse.

### **Countries**

#### **Winfried Holz, Head of Germany**

Winfried Holz has more than 20 years of experience in the IT sector. He began his career in 1984 at Siemens AG Germany, where he held a variety of management positions, including Vice President of Siemens Nixdorf Informations system and President of International Operations at Siemens Medical Solutions. Following his position of Managing Director of Fujitsu Services GmbH, he was appointed CEO of TDS in November 2007. Winfried Holz has a degree in industrial engineering.

#### **Ursula Morgenstern, Head of UK & Ireland**

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. Before assuming the role of UK Chief Operating Officer earlier this year, from 2009 Ursula was Senior Vice President responsible for Private Sector Markets, and from 2007 she was Senior Vice President responsible for Systems Integration. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors, custom practices, and package solutions business units.

#### **Laurent Kocher, Head of France**

Laurent Kocher has more than 20 years of experience in Services Sector. He began his career in 1989 at IBM France as sales manager and held a variety of management. He took part in the creation of IBM Global Services in Western Europe. Most recently, he worked for France Telecom which he joined in 2005. Laurent Kocher was in charge of the group's activity for business customers in France. He is a graduate from the Ecole Polytechnique.

#### **Rob Pols, Head of Benelux**

Rob Pols has built a considerable track record in the IT services and consultancy market place. Since 2005 he held the position of general manager and COO at Fujitsu

Services in the Netherlands. Between 2003 and 2005 he was general manager of Adresco BV, an organization specialized in interim management services. Previously, he was a Member of the 'Raad van Bestuur' at Syntegra - part of BT - and director of Syntegra/KPMG Consulting in France.

#### **Hanns-Thomas Kopf, Head of Central & Eastern Europe**

Born in Austria and studied in Vienna (AT), Erlangen (GER), Boston - Wellesley, (USA Massachusetts) and Innsbruck (AT). He started the professional career as SW-engineer and Operator in different IT companies. 1989 he joined Nixdorf Computer which has been renamed to Siemens Nixdorf one year later. After 8 years in the marketing management he changed in the function as Sales Director for 9 South-Eastern European countries. Previously, he held various management level positions within the company (President Service and Operations in CEE of Siemens AG, Chief Operating Officer for Siemens IT Solutions and Services CEE as Country Manager for Austria and the Southeast European countries).

#### **John Evers, Head of North America**

Prior to his appointment, John Evers served as the Chief Executive Officer of Siemens IT Solutions and Services, Inc. where he was responsible for leading the organization into the High Value Service market leveraging Siemens' capabilities in Data Center, Application Services and Consulting. Previous to Siemens, Mr. Evers was the Vice President of Worldwide Outsourcing Sales at Hewlett Packard and served a 19 year career with the IBM Corporation, in a series of progressively responsible sales, business development and executive roles. Mr. Evers holds a Bachelor of Science degree with an emphasis in Marketing from the Pamplin School of Business at Virginia Tech.

#### **Kari Juhani Kupila, Head of North & South West Europe**

Kari Juhani Kupila began his career with Siemens Osakeyhtiö, Espoo in 1986 holding various management-level positions within the company, notably Head of Corporate Finance, Head of Regions and Sales Management. In 2010, he was appointed CEO Cluster for South West Europe and CEO Siemens IT Solutions and Services Verwaltungsgesellschaft GmbH, in 2011 he was appointed Country Head Switzerland. Kari Kupila is graduate of Master of Science, Economics, Helsingin kauppakorkeakoulu, focus: law and finance.

#### **Patrick Adiba, Head of Spain and Major Events**

Patrick Adiba is also in charge of the Olympic Games. Prior to this position, he served as Vice President Human Resources of Schlumberger Sema, and Vice President and General Manager of its Latin America Branch, for five years.

## CONTENTS GROUP OVERVIEW

### A.6. Group presentation

Patrick holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001.

#### **Herbert Leung, Head of Asia Pacific**

Herbert MT Leung (also known as Herbie) was previously COO in the same region. Prior to this, he was the Senior Vice President of Managed Operations for the UK, Americas and Asia Pacific since 2004. Before joining Atos, Herbie was the Vice President of Global Service Delivery with Schlumberger Sema. He started his career with Schlumberger and has worked as country manager for China and Canada, Worldwide Technical Director and Vice President for Europe, Africa and CIS. Graduated from the University of Dundee, Scotland, UK, Herbie completed his Bachelor of Science in Electronics with a first class honours.

#### **Alexandre Gouvêa, Head of Latin America**

Alexandre, an Electrical Engineer with a Masters degree in Business Administration, has been the CEO of Atos Latin America for two years. Alexandre has over 30 years of experience, of which 15 were in international positions. Alexandre worked for 5 years for Orange Business Services, a company of the France Telecom Group, where he served as Senior Vice President of Operations. He had previously worked for 20 years as an Executive in Equant and Embratel, including responsibility for Global Network Operations in over 220 countries.

#### **Milind Kamat, Head of India**

Milind comes from CMC a TCS group of company where he was leading Financial Services Business for National and International Clients. Milind is an Electrical Engineering Graduate from Mumbai University. He completed his MBA in Financial Management from Jamnalal Bajaj Institute of Management in Mumbai. After 16 years in Financial Services with CMC (TCS group company), he joined Orgin. He worked in different roles from Service Practice Management to Sales and Marketing of Global Sourcing in Atos Origin. Milind has 31 years of experience in IT services Industry in India. He took over as Chief Executive officer of Atos Origin in 2007.

#### **Christophe Duquenne, Head of Atos Worldline**

Reporting to Marc-Henri Desportes (Head of HTTS service line, Atos), Christophe is in charge of the operational management and the strategic development of Atos Worldline global operations since July 2011, after having led Atos Worldline France & Southern Europe operations for six years. As EVP and a member of Atos Worldline Management Committee since January 2004, Christophe was also in charge of coordinating e-Services and the services for Financial Markets. A graduate of the Ecole

Centrale Paris, Christophe Duquenne joined Atos in 1987 where he held positions of management, supporting the deployment of Atos Worldline's expertise in its multiple dimensions.

#### **Service Lines**

#### **Eric Grall, Head of Managed Services**

Eric Grall was President and General Manager at Hewlett-Packard with responsibility for outsourcing activities in Europe, Middle East and Africa. Eric Grall has spent his professional career at HP in a number of roles related to outsourcing. In 2008 he was appointed as Head of Outsourcing activities in EMEA for Hewlett-Packard. He is a graduate from ENSIEG Grenoble and from the University of Brest.

#### **Francis Meston, Head of Systems Integration appointed in February 2009**

Francis Meston, joined Atos from the EDS French subsidiary where he had been appointed CEO since January 2002. In 1996, he joined AT Kearney as Vice President in charge of EMEA business transformation and strategy practices as well as MIA Global practice. He was previously Vice President of Gemini Consulting where he led the French operations, the EMEA Telecommunication practice and the EMEA business reengineering practice. Francis Meston is a graduate of Ecole Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is also "maître de conférences" à HEC Business School.

#### **Marc-Henri Desportes, Head of Hi-Tech Transactional Services & Special businesses**

Marc-Henri Desportes was IT Director in BNL, Italian subsidiary of BNP Paribas. From 2005 to 2006, he was in charge of control coordination at BNP Paribas. Previously he was Deputy Program Director of Copernic at the French Ministry of Finance. He is a graduate from Ecole Polytechnique and Ecole des Mines de Paris. Before taking this new position within Atos, he was Head of Global Innovation Business Development & Strategy.

#### **Arnaud Ruffat, Head of Consulting and Technology Services**

Arnaud Ruffat has more than 20 years experience in IT services. He began his career with Bull in Argentina in 1985. In 1988, he joined Atos Origin, holding various management-level positions within the company, notably finance director and operations director. In 2003, he was appointed head of Atos Origin's outsourcing business in France. In 2006, he was chosen to head Atos Origin in Italy, where he helped to turn the Group's operations around. His previous position within Atos Origin was Head of France.

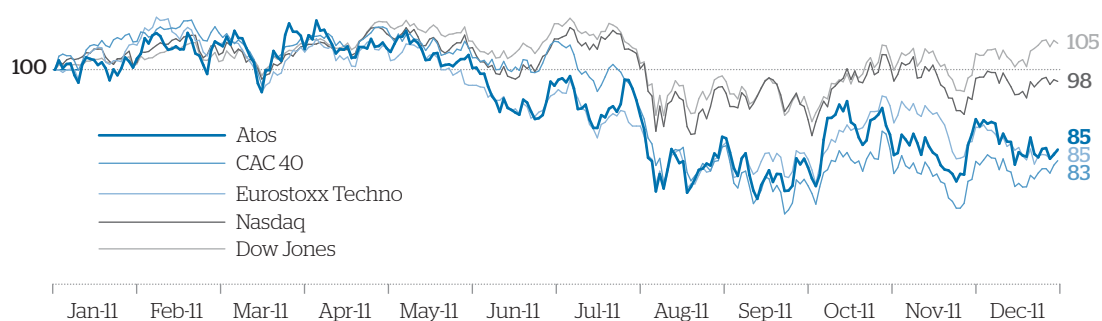
## A.7 Stock market overview

While the French reference index, the CAC 40 declined by -17 per cent in 2011, Atos stock price recorded a -15 per cent decline in line with the technological sector (DJ EuroStoxx Techno).

In the US, indices performed better, with for example Nasdaq which declined -1.8 percent only during 2011, the first annual loss since 2008. The Dow Jones, meanwhile, gained +5.5 percent.

In this context, after the 2010 stabilization year for listed companies in Europe, 2011 was tougher with poor performance and high volatility. Atos outperformed the market, the gap having particularly increased following the completion of the deal with Siemens and then, the presentation of the new Group profile during the investor day held in October, showing the trust of investors in the management's ability to meet its upcoming challenges.

**Atos' share performance in comparison with indices (base index 100)**



# B. ATOS POSITIONING IN THE IT MARKET

<b>B.1</b>	Overview	22
<b>B.2</b>	Strategy, organization and objectives for 2012	38
<b>B.3</b>	Sales and Delivery	48
<b>B.4</b>	Human Resources policy and talent development	79
<b>B.5</b>	Corporate and Social Responsibility	85

## B.1 Overview

### B.1.1 Market trends

The IT services market is changing quickly, and Atos has classified the drivers of this evolution into key trends that are reshaping the industry. These trends can be classified into technology enablers and new application areas.

- Technology enabling trends shape, improves and influences the way how classical IT is provided and consumed. Among them are Cloud Computing, Globalization and Industrialization of IT, Big Data, as well as omnipresence of IT and Business Process Outsourcing (BPO).
- The other category of trends opens up completely new application fields, that extend the existing range of usage of IT. The most important trends in this area are Social

Network Revolution, Mobile Computing & Internet of Things, Green IT, and IT/OT Convergence.

With the further proliferation of IT, partly into completely new areas, the importance of data privacy and security issues is massively increasing. Solving those security topics is a prerequisite for adoption of most of the trends described here.

In the following sections, two significant trends of each category will be described in more detail, followed by a short summary of the other trends.

#### B.1.1.1 Cloud Computing

##### Offer IT in a pay per use delivery model, yet secure and reliable

For Atos, Cloud Services refer to any service delivered to clients over the Internet on a pay-per-use basis. Cloud Services are a continuum of existing services, classified in four functional layers:

- **Business Process as a Service** (BPaaS): e.g. helpdesk, CRM, and card management
- **Software as a Service** (SaaS): e.g. ERP applications, Salesforce.com and Microsoft Office 365
- **Platform as a Service** (PaaS): middleware including database and transaction processing platforms, on-demand development environments, like e.g. Microsoft Azure, force.com (Salesforce) or Oracle Fusion Middleware
- **Infrastructure as a Service** (IaaS): processing, storage and networking on-demand.

Depending on the domain where the services are offered, one can distinguish different types of Cloud Services:

- **Public Cloud:** Services are offered to an extremely large set of customers on a shared infrastructure, highly standardized, e.g. Amazon elastic compute services.

- **Private Cloud:** Services are offered only to a single client or to a controlled set of clients (Community Cloud) based on a cloud environment, security, service levels and customization can be better addressed.

- **Hybrid Cloud:** Usually, even a single client will have a mixture of multiple public Cloud, private cloud and legacy systems, requiring orchestration.

Cloud Computing offers a number of benefits to the customer: lower costs for infrastructure and application services, dramatically reduced CAPEX, higher flexibility (pay per use), standardization and improved agility of services. On the other hand, a couple of challenges need to be addressed to build trust and confidence in Cloud Computing: data privacy and security, handling of regulatory compliance, guaranteed service levels, migration and integration of existing applications and data.

Although still maturing, Cloud Services are being delivered today with an estimated revenue of roughly EUR 50 billion. A tremendous growth of around 30% annually is predicted by the analysts, with a considerably higher growth rate of Private Cloud services.



Cloud Computing is also a game changer in terms of competitive landscape, as it melts together parts of different IT markets, like hardware, software and services. Players in the cloud include first systems integrators and IT service companies, among which Atos is the European leader, second new entrants such as Google and Amazon, leveraging their massive customer base, targeting mid markets by Cloud based offerings and SaaS. They arrive from the mass market to the enterprise, offering massive savings through Cloud Services for any organization that can live with a one-size-fits-all approach. Besides SaaS newcomers, traditional Software vendors are also offering their products in the Cloud model. Telco operators, who have large customer bases, are trying to move up the value chain by selling Cloud services on top of connectivity.

Cloud Computing, in its different and complex forms, will be another way to deliver IT services that will need integration with legacy systems and management of the resulting quality of services, security or interoperability, thus creating new business opportunities for IT services companies. The Cloud offerings of Atos constitute a unique and comprehensive set of services, positioning Atos as European leader in Cloud Computing targeting mainly Private Cloud. The recent joint venture Junano, formed with Chinese Enterprise software leader Ufida, is an illustration of new innovative partnerships that Atos expects to see in the market in the coming years.

#### B.1.1.2 Big Data

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##### **Dramatically extend the range of data that is considered when making business decisions**

Today's practice in Business Intelligence systems is to analyze structured data coming from the information systems of an enterprise to better understand performance and underpin business decisions. While even the data within an enterprise grows tremendously, the amount of global data is even more exploding. According to IDC estimations, global data amounts to 1.8 ZetaBytes (i.e. 1.8 trillion gigabytes) in 2011, and it is more than doubling every two years. IT storage and processing technology also grows, but by far slower, so that new ways and methods are required to deal with the growing data.

The overall goal is to exploit the value that lies within the data and to become a "data-driven company", i.e. make use of the information extracted from the data to take meaningful business decisions. This may be in the area of operational and strategic planning or to set directions when targeting new products and services to customers. Some companies of the new economy like Google are demonstrating this successfully, at the same time already defining and introducing Big Data methods. This disruptive way of working is quickly adopted by software and IT services providers, launching offerings for their customers.

The term Big Data, or otherwise called "total data" or "extreme information processing", is referring to the extension of the data that is used within the enterprise today in different dimensions. Besides the data captured in the different IT systems of a company, the vast amount of external data outside, e.g. from the world wide web or social media, can contain helpful information, too. Further,

different media formats, like text, audio, images or even video, can be used. Data may be linked, i.e. their interpretation is only possible when knowing the context with other data. Big Data is mostly unstructured data, information that does not have a pre-defined data model and does not fit into relational tables. A large part of the added value comes from the ability to filter, process and analyze this unstructured data.

There are a couple of underlying technologies that are required to process and analyze Big Data, like data mining, analytics, predictive analytics, text analytics. In order to cope with the huge amount of data in a short time, in-memory computing techniques and optimized hardware / software bundles (so-called appliances) are used. This also allows for real-time reactions on frequent and recent data, e.g. for process automation. Mastering these solutions will be a prerequisite to address the full value of Big Data.

## B. ATOS POSITIONING IN THE IT MARKET

### B.1. Overview

#### B.1.1.3 Social Network Revolution

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##### **Embrace social networking tools to improve business processes in the enterprise**

Social networking has continued its proliferation in 2011. Especially the younger generations are heavily using Facebook, Twitter, MySpace and the like in their private lives. For example, the number of users utilizing their Facebook account at least once per month has reached 845 million by the end of 2011, with a growth of around 39 last year. Twitter has over 100 million global active users, half of those logging in every day, producing almost 250 million tweets per day. But also social tools for professional use, like LinkedIn, are gaining more and more users. With more and more younger generations entering the companies as employees, even in management positions, the need to bring the usage patterns and benefits of social media to the enterprise is growing.

Many of the ideas and features of social media tools in the public space can be used to enhance and maybe even replace professional communication means in the enterprise or public organizations like telephone, email and the like, especially when the latter are used to serve purposes that they were not originally designed for, e.g. for document transfers, archiving, workflow management, etc.

Concepts to store contacts in the form of relationships (friends in Facebook), which are basically links to another one's profile, is for example in some aspects superior to a contact database in email systems. Data updates are managed by the users themselves, which is one aspect of

“user generated content” and which leads to more decentralized systems, which can be very flexible and dynamic. When user generated content extends to creating and managing information and knowledge, e.g. using the notion of Wikis (like in public Wikipedia), this can enhance traditional Content Management Systems.

With its Zero email™ internal initiative, Atos wants to make use of social media and create an Enterprise Social Network to overcome the data overload and inefficiency of current email practices, while preserving the data privacy and security.

Another trend is to make not only use of social media technologies and concepts within the Enterprise scope, but also to use them to enhance complete business processes that span across customers, partners and suppliers. E.g. Customer Relationship Management (CRM) can benefit from new ways of interacting with the customer like community or viral CRM. Another example how to enhance business processes, is to make use of information and interactions from social media within the Product Lifecycle Management process, to improve gathering of requirements and feedback of the market and user communities.



#### B.1.1.4 Mobile Computing & Internet of Things

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##### **More interactions from anywhere, at anytime**

The pervasiveness of mobile devices and mobile applications is increasing with high speed. It is expected that by 2013, the majority of internet access will be conducted using mobile devices. By 2015, it is expected that 80% of handsets in mature markets will be smart phones, and business with mobile apps is worth 15 billion euro. At the same time, user experience and functionality of mobile devices is improving. Even today, modern smart phones come with a multitude of sensors like 3 axis gyroscopic, GPS, digital compass, camera and microphones and provide computing platforms with processing power, memory facilities, connectivity and display quality that few people would have expected some years ago. Further features like Near Field Communication (NFC) will be added, opening new fields for mobile applications. Besides the proliferation of smart phones, tablet PCs have continued their market success in 2011. Initiated by Apple's iPad, in 2011 more than 63.5 million tablet PCs were sold worldwide, which is already almost 20% of PCs sold. It is expected that by 2015, the number of sold tablets will be more than 58% of sold PCs, reaching over 300 million units. For the smart mobile devices, the battle of platforms continues, now with the most promising ones being iOS, Android and Windows Mobile. But also, many expectations to have operating system independent apps are put on HTML5. This will impact the structure of the overall internet.

One of the most promising mobile applications is in the area of mobile payments. An NFC-enabled phone is provisioned with a version of the payment application (i.e., credit, debit card or prepaid card) issued by the consumer's financial institution. The phone uses the built-in NFC technology to communicate with the merchant's contactless payment-capable Point of Sales (POS) system. Advantages of this method are speed, convenience, and the fact that NFC payments use the existing financial payments processing infrastructure.

Another important aspect of mobile applications is context awareness. Given the fact that applications are executed in varying situations, it becomes important that specific context of time, location, vicinity of objects or people, user and usage history, etc. is exploited to adapt the application to the specific needs in that situation.

While the number of handsets is limited by the population, there is no boundary for the number of machines and sensors connected to the network, often called the Internet of Things. Already today, more than 50% of all internet connections are made by things, not by humans. In 2011, there were more than 15 billion permanent and 50 billion intermittent connections. It is expected that this number will grow dramatically and by 2020 will double for permanent and even quadruple for intermittent connections. This hyper connectivity will lead to completely new application areas like augmented reality and situational decision support and even to new business models.

## B. ATOS POSITIONING IN THE IT MARKET

### B.1. Overview

#### B.1.1.5 Overview on the remaining trends

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##### **Globalization and Industrialization of IT: need for lower cost and higher quality drives standardized and optimized global delivery networks**

The main motivation of the customers for IT outsourcing is cost reduction while improving the overall service quality. In order to achieve both targets, leading IT service providers are industrializing their service delivery by standardization and automation of processes. Improvement methodologies, like Lean and Six Sigma, are being used to further optimize service delivery and reduce overhead as well as cost of poor quality. Globalization of standardized processes across multiple delivery sites, countries and regions allows for larger economy of scale, use of low cost resources/ offshoring, as well as flexible assignment. At the same time, it supports the customers' growth and globalization ambitions.

##### **Pervasion of IT and Business Process Outsourcing: clients focus on core competences**

Both, cost savings and the intent to focus on their own core competences, drive the trend of customers to outsource IT and non-critical business processes. For IT outsourcing, a trend to smaller deals, multi-sourcing and alternative contract models like pay per use or outcome-based pricing can be observed. While Business Process Outsourcing (BPO) started with people intensive, horizontal processes, more and more high value and even industry-specific processes are now handed over to service providers, eg in healthcare, insurance, financial services. So called Business Process Utilities (BPU), i.e. highly automated facilities to serve multiple customers, mostly based on a pay per use model, will accelerate this trend in the coming years, mainly in the retail, healthcare, transportation and utilities sectors.

##### **IT for Better Life: leverage IT to implement sustainability beyond Green IT**

Green IT, i.e. improving the energy efficiency of IT infrastructure and related services, is on the agenda of almost all clients today. As IT makes up only about 3% of the overall energy consumption, a by far bigger lever is to make use of IT to improve sustainability in other areas. Driven by cost savings, regulations and stakeholder as well as public pressure, customers are looking for IT solutions for sustainability reporting, building energy efficiency, waste reduction, smart grids, traffic and fleet management, etc. One specific area where IT will help optimizing existing structures and processes of day to day life but also enable a complete new quality of living is in the area of smart cities. This includes public transportation, parking solutions, traffic management, citizen services in the public sector, and many more.

This trend is developed in further details in section IT Corporate sustainability.

##### **IT/OT Convergence: integrate production environments with IT to improve time to market and flexibility**

Operational Technology (OT) reflects the combination of software and physical (realtime) systems that form the production environments that companies use to create their commercial products. Up to now, those systems are rather separate from the company's IT systems, in terms of owners, technology, connectivity, etc. – pretty much comparable to the separation of IT and telecommunication systems some years ago. More and more assets of the production environment contain standard IT components or even migrate to standard IT systems. On the other hand, customers are forced to shorten time to market and to be able to flexibly transfer production between different sites. This can be accomplished by integrating the IT and OT systems (eg PLM-MES integration), which is the trend that industry analysts are calling IT/ OT Convergence.

## B.1.2 Market sizing and competitive landscape

### B.1.2.1 Overall market size

According to Gartner's latest study, the Information Technology market in 2011 is estimated to be worth EUR 1,834 billion, out of which Telecom is 26% and 21% are internal spendings. Net of currency effects, the IT market grew at +0,3%, with the growth in Software at +3% IT Services at +1,3%. Telecom segment was almost flat at +0,1% and Hardware decreased at -1,7%.

Excluding IT Hardware, Software and Telecom, the IT services market reached in 2011 approximately EUR 577 billion. Direct hardware and software support activities are EUR 102 billion of the IT services market in which Atos is not present. That leaves approximately EUR 475 billion of "addressable" market ("professional services") targeted by the Group, of which close to one third is in Europe (West/ East), i.e. EUR 147 billion, the Group's principal market today.

Market by region - 2011	Total (EUR billion)
North America	<b>195.1</b>
Latin America	<b>17.5</b>
Western Europe	<b>141.1</b>
Eastern Europe	<b>5.6</b>
Middle East and Africa	<b>7.1</b>
Asia/Pacific	<b>39.6</b>
Japan	<b>69.2</b>
<b>Total</b>	<b>475.2</b>

*Source: Atos estimates and Gartner "Dataquest Enterprise IT Spending by Vertical Industry Market, Worldwide, 4Q11 Update, January 2012" for Professional Services (consulting, development and integration, IT management, process management). Currency rate of 0.7153 EUR per USD.*

## B. ATOS POSITIONING IN THE IT MARKET

### B.1. Overview

#### B.1.2.2 B.1.2.2 Competitive landscape and new expected position of Atos

July 1<sup>st</sup>, 2011, the completion of the acquisition of Siemens IT Solutions and Services by Atos Origin was approved by the shareholders with a 99.99% majority of the votes. As a result, the size of the new group almost doubled and the position of Atos strongly improved in terms of geographic coverage, competences and market share.

Considering the pro forma revenues, Atos is now in the Top 10, ranked #8 in the world and second largest IT services company in Europe in 2011 with a market share of around 5%. Atos is the #1 European IT service provider in Europe behind IBM.

Worldwide IT Services market		European IT Services market	
Company	2011 Market Share	Company	2011 Market Share
1 IBM	73%	1 IBM	76%
2 HP	39%	<b>2 Atos</b>	<b>5.2%</b>
3 Accenture	3.8%	3 Cap Gemini	4.7%
4 Fujitsu	3.1%	4 Accenture	4.7%
5 CSC	2.5%	5 HP	3.4%
6 NTT Data	1.9%	6 T-Systems	3.1%
7 Cap Gemini	1.9%	7 BT	2.7%
<b>8 Atos</b>	<b>1.8%</b>	8 Logica	2.7%
9 Lockheed	1.7%	9 Fujitsu	2.5%
10 SAIC	1.6%	10 CSC	2.1%

Source: Gartner et estimations Atos.

#### B.1.2.3 Main competitors in Europe

With its new scale, Atos is one of the few companies able to cover the full European geographies. In the largest European countries, the main competitors of Atos are IBM, HP, and Accenture for the US based providers,

Capgemini, Logica, for the European players with focus on specific countries, and champions with strong local footprint like Capita (UK), Fujitsu (UK), T-Systems (Germany) and Indra (Spain).

Geographies	Main Competitors
United Kingdom	Capita, HP, British Telecom, IBM, Fujitsu, Capgemini, Accenture, CSC
Central Europe	T-Systems, IBM, HP, Accenture
France	Capgemini, IBM, Logica, Accenture, France Télécom, Sopra, Steria
Benelux	Cap Gemini, IBM, Getronics, Logica, Ordina, Accenture
Spain	IBM, Telefonica, Accenture, Fujitsu, Indra

**B.1.2.4 Market size and Atos market share in Europe**

According to Gartner, based on 2011 estimated figures for external IT spending for Professional Services, market shares in each main country and service line are

presented below, reflecting the new positioning of Atos as the European champion.

(in EUR billion)	Market size		Atos statutory		Atos pro forma	
	2011	weight	2011	MS%	2011	MS%
United Kingdom & Ireland	46.0	31%	1.2	3%	1.5	3%
Germany	23.7	16%	1.1	5%	1.7	7%
France	18.2	12%	1.0	5%	1.0	5%
Benelux	13.8	9%	0.9	7%	1.0	7%
Iberia	9.5	6%	0.3	3%	0.3	4%
Central Eastern Europe	7.8	5%	0.3	4%	0.5	7%
Rest of Europe	27.7	21%	1.3	5%	1.4	5%
<b>Europe</b>	<b>146.7</b>	<b>100%</b>	<b>6.1</b>	<b>4%</b>	<b>7.5</b>	<b>5%</b>
Consulting and Technology Services	18.9	13%	0.6	3%	0.6	3%
Systems Integration (including Smart Energy)	48.2	33%	1.7	4%	2.1	4%
Managed Services	57.7	39%	2.5	4%	3.3	6%
Process Management - HTTS & BPO	21.9	15%	1.3	6%	1.5	7%

Source: Gartner "Dataquest Enterprise IT Spending by Vertical Industry Market, Worldwide, 4Q11 Update" January 2012 for Professional Services (consulting, development and integration, IT management, process management). Currency rate of 0.7153 EUR per USD.

**B.1.2.5 Overall mid-term perspectives**

After the slowed down growth during the financial crisis on 2008/09, demand for system projects and outsourcing is progressively resuming. However, in second half of 2011, the overall economic environment started to become uncertain again, with an increasing attention given to the debt situation first in smaller European countries and expanding concerns to other major European countries and the US. This lead to moderate IT services spending and to a continuously cost-focused approach.

So far, Industrial analysts still expect the market to keep growing in Europe over the next five years at a 3-4% rate, and North America growing slightly above 4%. In Asia (Japan excluded) and Latin America, the growth rates are close to 10% and analysts expect this trend to continue. Latest forecasts by Industry analysts indicate however a modest growth of 1 to 2% for 2012 as economic environment is worsening.

IT services rates remain relatively stable, while labor rates are slightly increasing, driven mostly by raising salaries in fast growing economies facing inflation. This means that service providers need to increase productivity by automating and optimizing tasks, leveraging reusable assets and off-shoring.

In 2012, the change from the traditional service model to an asset-based model like Cloud Computing will accelerate. While customers are transferring their capital expenditures to operating expenses via their suppliers, this will require the service providers to adapt the pace of investment to meet demands.

A portion of the market growth will consist of higher value services, especially in industries that are facing structural changes and massive transformation with a large contribution of IT, such as smart grids in the utilities.

## B. ATOS POSITIONING IN THE IT MARKET

### B.1 Overview

#### B.1.3 Foundation IT evolution

The latest analysts forecast projected a growth for 2011 at close to 2% in IT services for professional services spending in Europe compared to 2010, following a slight recovery of the economy.

While recovery appears to be holding its course, uncertainty continues in the global economy at large, which does not face a single threat. Recent economic data shows more-fragile recoveries in the US and Europe. Debt challenges and poor economic growth could slow market growth for IT Services in 2012.

Total (in EUR billion)	2010	2011	Growth 2011/2010
Consulting and Tech Services	18.6	18.9	+1.9%
Systems Integration	47.7	48.1	+1.4%
Managed Services	56.9	57.8	+1.5%
Process management	21.7	21.9	+1.0%
<b>Professional services</b>	<b>144.8</b>	<b>146.7</b>	<b>+1.3%</b>

Source: Gartner "Dataquest Enterprise IT Spending by Vertical Industry Market, Worldwide, 4Q11 Update" January 2012 for Professional Services (consulting, development and integration, IT management, process management). Currency rate of 0.7153 EUR per USD. Professional services include Consulting, Systems Integration, Managed Services and Process Management (HTTS and BPO for Atos), but exclude hardware and software maintenance and support).

##### B.1.3.1 Managed Services

Market growth in Europe for IT Outsourcing has been estimated at around 1.5% in 2011 by industry analysts. The evolving IT Outsourcing business and delivery models, including Cloud, are predominantly favorable factors in creating additional client demand for external services.

2012 and beyond are expected to be good years for IT Outsourcing in Europe, although decision cycles are likely to be on-hold for some, and many buyers will be looking for faster ROI and increased flexibility leveraging the promises of the Cloud. Especially Private Cloud services are expected to grow at 30% per annum. Re-negotiation of existing contracts may provide opportunities for consolidating scope, including Cloud functionalities and increasing the length of contracts.

Notable trends during 2011 included:

- A growing demand for Cloud Infrastructure as a service, on premises or interfaced with Public Clouds, reaching around 5% of the market;

- A significant growth of migration to virtual environments, as a way to offer flexibility & reduce costs without the risks associated to work in shared environments;
- A strong focus on standardization and productization of all infrastructure services
- An increase in offshore IT outsourcing, driven by remote infrastructure management for service delivery;
- Environmental exigency development, mainly with energy effectiveness;
- The continued device and data proliferation, combined with the impact of consumerization of enterprise IT, drive up demand for IT Outsourcing solutions.

Economies of scale drive the ability to provide infrastructure services at a reasonable cost. Therefore, scale is becoming a key differentiator. Virtualization, automation & industrialization will then have a massive impact to deliver competitive IT Outsourcing and help customers to benefit of an optimized IT infrastructure.

According to analysts, part of the market is shifting from IT Outsourcing megadeals to selective multi-sourcing alternatives as customers are looking not only at cost reduction benefits, but also to mitigate risk and improve flexibility. As a result, a multi-provider landscape is gaining momentum. At the same time, within the scope of those smaller deals, customers are looking for "one stop shop" services to transform and operate the related part of their IT system.

The Group expects these trends to continue in 2012. Overall, cost reduction, financial flexibility and skill shortages remain major drivers for infrastructure outsourcing. As clients ask for innovation, industry domain expertise will be paramount into selecting the right outsourcing partner.

### B.1.3.2 Systems Integration

2011 has seen a restart of demand for project services in Europe (around 16%, according to industry analysts) due to a slight improvement on overall economic and business confidence. Despite customers continue to see IT Services providers as a means to reduce costs, they are also playing a major role as enablers of the customers' business transformations.

Several industries are facing massive transformation involving the use of IT (e.g. Mobility and Context Aware Computing in retail and services, digitization in healthcare, smart grids and meters in the Energy & Utilities, and sustainability issues in process manufacturing). These structural changes create demand for system integrators to help them to address challenging IT-related issues that will support this transformation.

Technological advancements – especially in mobility and analytics – are driving increased spending on such solutions. Demand for better information and more data analysis derived from the data deluge is also increasing across all businesses, which creates opportunities for service providers. Cloud Computing is also driving the demand of system integrators on migrating the customers' existing IT landscape to the cloud, which involves interfacing with still existing legacy systems, and development and integration of cloud-based applications.

Thus, the SI market is driven by two forces:

- On one hand, more and more industrialization with tooling, processes, to cope with the demand of lower prices and productivity gains. Service innovation is under a permanent pressure to ensure price competitiveness and high productivity.
- On the other hand, more and more industry expertise, to provide customers with leading edge solutions helping them at resuming growth and show differentiation.

Atos remains convinced that the Systems Integration market will continue to enjoy steady and significant mid and long term growth. Growth will be driven both by an increase in technology usage in the addressable market, and demand for facilitating implementation of Cloud Services. The lower IT costs due to Cloud Services will even boost further the addressable market as it will open more of the SMBs (Small and Medium Business) market to systems integrators.

In parallel, the way of working of Systems Integration providers will progressively evolve to leverage the new opportunities brought by the Cloud itself, e.g.

- application development can be executed in the Cloud (PaaS) while the application being still deployed in a standard environment
- strong use of BPM (business process modeling) techniques to capture and implement customers' requirements, reducing the development cycle;
- stronger alignment with Managed Services to offer SaaS and IaaS with proper SLAs and competitive pricing

Addressable market size will be boosted by many factors such as the increasing demand of solution development and system integration outsourcing in continental Europe, as well as an increasing demand in BRIC countries (Brazil, Russia, India, China).

Furthermore, solutions tailored for specific vertical industry sectors and those delivered on multiple mobile devices are increasing in demand. Providers are developing tailored industry solutions based on standard offerings to better serve customers. A deep understanding of a customer's industry sector specifics is increasingly becoming a necessity in vendor selection processes in Europe.

## B. ATOS POSITIONING IN THE IT MARKET

### B.1. Overview

#### B.1.3.3 Consulting & Technology Services

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The consulting sector has suffered during the last years as the recession forced companies to almost eliminate their discretionary budgets and postpone all non-essential projects. But since the first half of 2010, this sector has benefited from gradual recovery. Customers are carrying on with both IT and business transformation projects to improve their market competitiveness in the post-recession environment.

Recovery has been stronger in Eastern Europe than Western Europe. Among Western European countries, France, Germany, Austria and the Nordics showed best results in terms of relative growth. The Netherlands has stabilized but recovery is still uncertain, and the Spanish market is still under intense pressure. In most European countries, prices have slightly increased over 2011 but are still significantly below what they were in 2010.

In terms of industry-sectors, Financial Services, Manufacturing and Communications are the hottest markets in all countries. Public Sector spending dropped in both volumes and prices, impacting particularly the consulting business. However, consulting could benefit from big transformation plans across the public sector, initiated at the UK, and the implementation of some of the most ambitious structural changes to public services to reduce its size and gain in efficiency. Many of them will

demand consulting services to support business processes and the implementation of new technology enablers.

Commercial models are increasingly shifting from effort-based towards performance-based payment models. Customers continue to invest in consulting projects that deliver cost reductions or effectiveness improvements with a quick pay-back.

Further, consulting engagements become more and more an integral part of larger IT service engagements. Customers are increasing the demand of end-to-end services from their IT providers, as part of their big transformation projects. Consulting services are also playing an important role at strategic outsourcing deals: customers aim to leverage IT not only as a way to reduce costs of their existing IT infrastructure, but also to implement major changes in their business strategy.

Looking at 2012, we expect the Consulting and Technology Services business to benefit from the rebound initiated in late 2010, and to continue growing, driven by the same trends we observed in this period, unless the economic environment takes negative turns, which could lead again to cutting of discretionary budgets and delays of business transformation initiatives.



**B.1.4 Business Enabling IT evolution**

In this section are described the major trends perceived by the Group in the areas where it operates, i.e. transactional services like payment and e-connectivity

and specialized businesses like smart utilities and civil and national security.

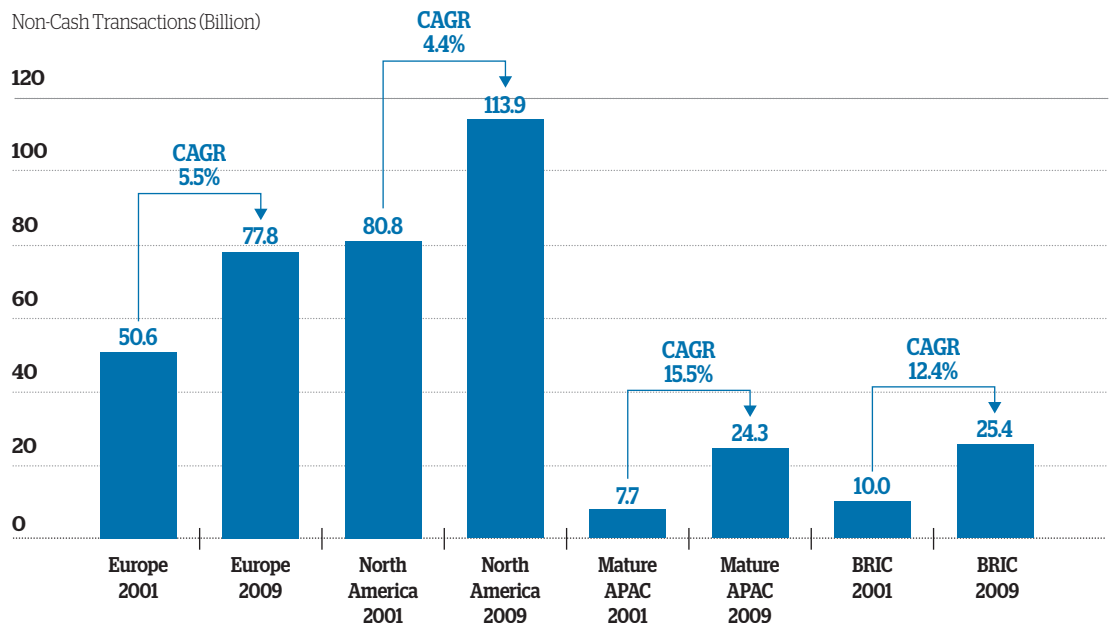
**B.1.4.1 Payment**

Non-cash Payment (card, check, bank transfer, debit, etc.) with cards is a growing and resilient global market. According World Payment Report 2011,

- The global volume of non-cash transactions is closed to 300 billion, after sustained average growth of **6.8%** since 2001.
- The use of cards (credit and debit) continued to grow in most markets and global transaction volumes were **up 9.7%**. Cards remain the preferred non-cash payment instrument globally, with a market share of more than **40%** in most markets.

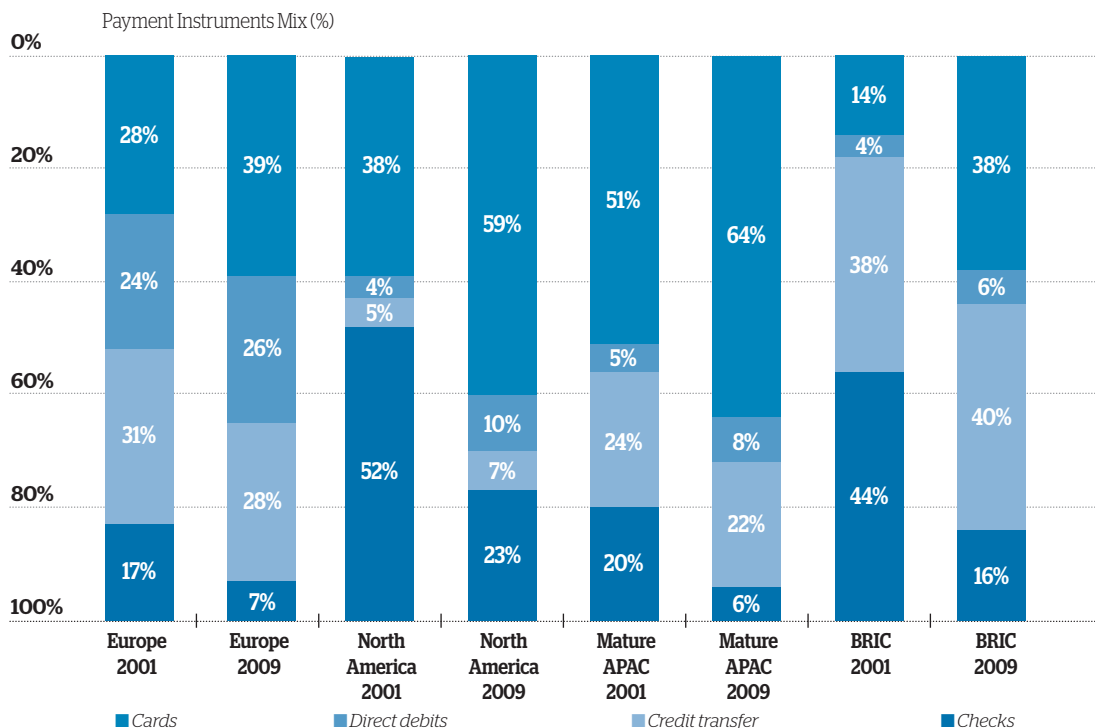
- Initial data suggests the growth in global payments picked up again in 2010, with transaction volumes rising at an estimated **7.8%**, again driven by emerging markets and Mature Asia-Pacific and, in particular, by the growing use of cards in those markets. Non-cash payments are expected to show growth of **37%** in CEMEA (Central Europe, Middle East, Africa), 23% in Rest of Asia (excluding China and India), 14% in BRIC, and 14% in Mature Asia-Pacific. In developed Europe and North America, indications are that the growth in non-cash payments is also greater than in previous years.

**Comparison of Non-Cash Transactions by Region (billion) and Change in Payment Instruments Mix (%). 2001 vs. 2009**



## B. ATOS POSITIONING IN THE IT MARKET

### B.1 Overview



Source: The World Payments Report (WPR) from Capgemini, The Royal Bank of Scotland (RBS), and EY looks for seventh year at how the global payments landscape is responding to shifts in economic and competitive conditions, advances in technology, increased regulatory pressure, and evolving customer demands.

Other factors driving evolution of the market are the increasing weight of the regulation and standardization, the new consumer trends and the growing need for innovation:

#### Regulation, legislation and oversight

The recent turmoil in the financial industry has reemphasized the need for transparency, disclosure, risk-avoidance and standardization of products. Much debate has also targeted the Multilateral Interchange fees. The subsequent standardization may also lead to more challenging economic conditions for financial institutions delivering the service to the end consumer.

SEPA (Single Euro Payments Area) adoption is progressing steadily, now driven by the vote of European parliament setting a strict deadline in February 2014. The Payment Services Directive and its associated requirements are now beginning to exert their full impact on all market participants.

E-government with the associated non-cash payments are developing areas, albeit at different speeds according to national differences in e-government maturity.

Payment Services Providers, especially when not originating from the banking sector and unhampered by legacy systems, may leverage their agility and nimbleness to overachieve competitive advantage.

#### Industry and consumer trends

Established corporate clients are expecting evolution and innovation in integrating payments with their business process.

Consumers are now expecting the internet inspired paradigm of "anytime, anywhere" to apply to banking and payments, prompting a growing offer of remote, self-service channels and delivery modes, with much interest for m-banking, NFC contactless payments and trusted Over-the-air delivery of sensitive applications and credentials.

Displacement of cash has fuelled growth of the "quasi-cash" electronic payments supports due to their high-instant issuing and easy transferability. This was clear visible with significant growth of gift-cards, pre-paid cards, foreign workers' remittance schemes and social or unemployment benefits.

#### Innovation

Technology and user-experience are driven and shaped by consumer electronics and digital content providers and networks. The customer expectation is that payment and related activities can be performed seamlessly on the same devices or with the same unfettered end-user experience and interfaces.

Innovation should therefore focus on leveraging existing data in new ways to deliver it in timely, relevant and personalized opportunities.

#### Payment: Summary

Delivering added-value to the payment market will continue to require our distinctive mix of industrial strength delivery, corporate customer intimacy and consumer trend adoption agility.

### B.1.4.2 e-Services

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The Atos's specific Hi-Tech Transactional Services business model (end-to-end IT value chain, commitment on results, billing per business units) is well known and used in some areas like Payments but quite new for other services. After the major IT evolutions, (ASP, SaaS, PaaS, Cloud,...) the HTTS model will be more and more deployed for services delivery. This acceptance will allow broadening the potential to sell HTTS services.

the current government priorities and stakes : lower Capital expenditures, lower Operating expenditures and, at the same time, increasing the quality of services thanks to electronic platforms replacing standard processes. From users standpoint, the combination of devices and always on mobiles will allow to propose new experiences to users: connected vehicles, location based or location aware services, smart meters, remote monitoring of diseased or dependent people, medical drugs and prescriptions follow-up and control, etc.

e-Government, e-Health and citizens related services will benefit from this trend, as HTTS model especially fits with

### B.1.4.3 Smart Utilities

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Energy demand has been affected by the economic slowdown. However, the long-term view is that it will still grow in the coming years. Oil prices have set a record in 2011. And there will be less oil, more gas (for some decades) and definitively more electricity and more renewable.

Metering systems are making their breakthrough. After a successful pilot with Atos Worldgrid, France has already decided the final roll-out of 35 million electricity smart meters (we are waiting for the final planning), the UK are now in a tendering process for the data collection system covering 53 million electricity and gas meters, and Ireland has decided to start. For some meter operators, investment in sophisticated IT systems may become a problem and therefore we anticipate that Smart Metering may be delivered in a BPO mode. Transmission systems are already rather smart. Distribution systems are partly smart at medium voltage level. The Smart Grid revolution will happen at low voltage level, to be able to manage dual way flows of energy and to deal with local peak hours and on the longer term local weak hours. Atos Worldgrid is preparing for this revolution, with Advanced Distribution Automation software tools in the roadmap.

Oil and gas enhanced recovery will have to become more and more effective in the upstream sector. Software needs for handling Gas Transport and LNG are increasing.

Post Fukushima, Nuclear has now a heavy pressure to review security options. Some countries have decided to step out, and notably Germany being the first. Several countries announced that there was no question to cancel the new-build program. Safety checks have been conducted on existing reactors by the end of the year 2011. New builds may be delayed and will be certainly more expensive, and it will be on the long run more difficult to find sites. We anticipate therefore a growing market for refurbishment of existing units.

In March 2007 the EU's leaders endorsed an integrated approach to climate and energy policy that aims to combat climate change and increase the EU's energy security while strengthening its competitiveness. They committed Europe to transforming itself into a highly energy-efficient, low carbon economy. This 'climate and energy package'

Smart Grid will become mandatory so as to reduce peak load (and therefore CO<sub>2</sub> emissions), handle renewable (mostly intermittent) energy and electrical vehicles. Smart

## B. ATOS POSITIONING IN THE IT MARKET

### B.1. Overview

was agreed by the European Parliament and Council in December 2008 and became law in June 2009. On the 26 of May 2010, the European Commission published a communication "Analysis of options to move beyond 20% greenhouse gas emission reductions and assessing the risk of carbon leakage" which revisits the analysis of the implications of the different levels of ambitions (20% and 30% targets) and assesses the risk of carbon leakage.

The "20-20-20" targets are:

- A reduction in EU greenhouse gas emissions of at least 20% below 1990 levels
- 20% of EU energy consumption to come from renewable resources
- A 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.

Energy efficiency is now at the top of the list of EU priorities, with a target of finalizing legislation by end 2012. And the Energy Infrastructure Regulation proposals recognize the importance of "an effective and intelligent transmission network" to successfully integrate the increasing amounts of renewable energy. We do believe that such a supergrid should be also connected to the Maghreb and Machrek countries. This is why Atos Worldgrid is a founding (and the only IT company) member of the Medgrid consortium, targeting post 2020 transmission of electricity between Euro-Mediterranean countries.

Globally the market is ready for a global system integrator like Atos Worldgrid to provide enhanced, automated and optimized processes, enabling E&U companies to reduce their TCO.

#### B.1.4.4 Civil & National Security

With the end of the Cold War and Bipolar Threat a new trend highly demanding in IT has become reality: Terrorism, Attacks on Critical Infrastructures and Threats from Cyber Space.

Defense Procurement has shifted from large quantities to satisfy mass deployments to focused out-of-area contingents carrying a sophisticated hi-tech payload. Replenishment of diminishing supplies has created new ways of global logistical military supply chains designed with the help of SAP and PLM frameworks.

Robust collaboration platforms ensure the smooth interaction and information exchange between participating Nations and Agencies.

With the potential threat to Critical Infrastructures the civilian component has become a major consideration in order to protect and to safeguard objects such as Nuclear Power Plants, Airports, Water Supplies etc. - new methods of seamless interactions between all parties had to be developed - such as fully encrypted Professional Mobile Radio Systems, Emergency Management Systems and Broadband Communication Systems. Also in the civil area,

collaboration between different security organizations is increasing the demand for secure data exchange.

Cyber Threats have a major impact on our Society and cause not only economic losses due to criminal activities such as credit card fraud etc. but also pose a high security risk which has become a major driver at big defense organizations like NATO.

Stealing personal, electronic identities will become one the most dangerous threats and will have a major impact to our answers to cope with the Megatrends such as Urbanization and Demographic Changes. Smart Identity and Access Management Systems will prevent interruptions to our normal way of life.

Finally, exploding operating costs in all areas of our Government but also at Armies around the world has caused a significant loss of productivity and reduced investments to buy needed equipment. Modern IT-Infrastructures – along with Outsourcing of non-core functions will ease this situation and allow the stakeholders to invest into our future.

#### B.1.4.5 BPO (Business Process Outsourcing)

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Atos believes that BPO is part of the IT market that will enjoy a promising future.

When looking at where Atos is currently acting, opportunities to leverage existing BPO operations should continue in the future as businesses look to outsource non-core activities in order to reduce their own operating costs.

The outlook for BPO is therefore positive and it should benefit from contracts that are in the main longer term annuity deals with the option in many cases to increase footprint both up and downstream of the original outsourced service.

Looking to the future in the UK specifically, the UK government has announced its intent to force the banking industry to split its retail banking operations from its investment banking. This is likely to open up opportunities for further outsource as the banks seek to mitigate the cost impact of the regulatory changes. In the medical BPO business there are going to be further opportunities to increase the size and scale of the business as the UK seeks to extend the process to a wider population.

Outside the UK, Atos should seek to leverage the proven capability in other countries and contracts as they too seek to improve efficiencies and reduce costs in response to the difficult global trading conditions.

## B. ATOS POSITIONING IN THE IT MARKET

### B.2. Strategy, organization and objectives for 2012

## B.2 Strategy, organization and objectives for 2012

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### B.2.1 Mission, vision and strategy

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#### B.2.1.1 Business Context

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Atos is operating in the IT services market in a very competitive landscape subject to a strong price pressure. On one hand players are facing large global companies, such as US based groups IBM, HP, Accenture, that are operating over the globe, and on the other hand competing against companies coming from low cost countries, currently mainly India (Wipro, TCS, HCL, Infosys) but soon China or Latin America, who are willing to expand their operations, after having first served English speaking countries, USA or Great Britain. Atos is facing as well national champions with strong relationships established with public national authorities.

On the other hand, Atos operates in a market meeting significant changes where innovation will extend the role of IT, which was traditionally used to support operations of large organizations. This new IT revolution, around smart mobility, internet, Social Networks, Big Data, Cloud, is opening new opportunities for the Group. Overall, the vision of the Group is that the market demand it needs to address is twofold, based on different drivers in terms of expectations and solutions:

- Foundation IT, where the client is now asking after the first phase of past years to get better services at a lower price for the part of IT that is used to support operations
- Business enabling IT, where IT contributes to find new positioning, new offerings, to open new markets, and overall, acting differently.

End 2011, the European economy is facing severe challenges, debt being one of them, while fast growing countries are enjoying strong development. As a new European champion, covering truly the full set of European countries with around 50,000 staff, i.e. two thirds of the 74,000 total workforce, Atos has recognized that Europe is a geography where growth will be limited, but where clients are ready to pay a premium for services if value and innovation are associated to them, or if they answer to regulatory compliances, trust and security issues. Reciprocally, in fast growing countries, local competition is strong and the Group will have to develop its position either by accompanying its European clients or by addressing the local markets with highly differentiated offerings and strong support of established local partners.

#### B.2.1.2 Atos' core strategy

Atos has therefore developed a strategy that is executed through three main streams of actions, TOP<sup>2</sup>, eXpand, and Wellbeing@work, aiming at:

##### **Securing the Group's operational performance, margin, cash generation, mainly in the Foundation IT business (TOP<sup>2</sup>);**

- Atos Origin and former Siemens IT Solutions and Services were in the last years behind best competitors in terms of organic growth and margin, and the classical IT services provided to customers were mostly done on a domestic basis, disabling its ability to leverage its expertise and scale throughout its overall presence. Mid 2011, the profitability of former part of Atos, Atos Origin, has been improved by 250 pts compared to 2008, thanks to TOP, Atos' performance improvement program executed successfully.
- In order to bring the new Atos, and namely the sub-part related to ex Siemens IT Solutions and Services perimeter at par, a new program, named TOP<sup>2</sup> Program was launched, to apply the same recipe to the combined entities forming the new Atos: strong actions to improve efficiency, robustness of delivery, leveraging state of art techniques and best in class methods have been undertaken by empowering Global Service lines, namely Global Managed Services, and Global Systems Integration, to catch up and progressively take the lead on these domains based on the new increased scope. This is supported by an intensive use of Lean management methods and a strong development of offshore capabilities to serve customers at a lower cost of delivery, meeting their demand for lower prices.
- TOP<sup>2</sup> covers as well numerous initiatives aiming at improving the overall cost of operations (offices, purchasing, travel) and G&A's cost structure improvement.

**Growing overall**, with a specific attention given in higher profitable business areas by strengthening differentiation, value creation, Intellectual Property. In Q4 2011, the Group launched a new program, eXpand, to create a sustainable growing revenue flow and ensure that our sales organization, commercial performance, and brand awareness are in line with this objective. Three elements are covered in our growth strategy:

##### **Customer and go to market strategy**

- Atos' customer strategy is to focus on large enterprises and public organizations, which are addressed with its own sales force, the most important of them being under the responsibility of account executives empowered on a worldwide scale. Mid-size markets are addressed jointly

with partners and indirect channels, Cloud being an accelerator and enabler to better serve them in a cost efficient manner.

- A Strategic Sales Engagement team, with the empowerment to win large deals on a worldwide basis, was put in operation. This team is gathering the full set of expertises needed to cope with complex sales, from solution experts, deal makers, legal, etc.
- Atos has implemented a market facing organization built around 5 global set of Industries (markets) where it will operate: Public, Health & Transports (PHT), Energy & Utilities (E&U), Financial Services (FS), Telecom, Media & Technology (TMT), and Manufacturing, Retail & Services (MRS) to address the increasing need of providing customers with industry specific solutions.
- Atos intends to leverage its key role of IT partner for the Olympic London 2012 to show to its clients the Group's capabilities and its ability to deliver on time complex project with a high quality of service.

##### **Portfolio strategy**

- A first priority is to reinforce Atos' leadership in payments and e-services in Europe under the HTTS initiative started 2 years ago: High-Tech Transactional Services now targets to bring the activities of Atos Worldline to all geographies where the new Atos is operating, covering the domains of Electronic Payments, e-Community Services, and Financial markets, and beyond these assets, the specifically successful business model which is the foundation of the profitable growth story of Atos Worldline.
- As a further step, Atos is strengthening the development of its differentiation based on its strengths and strong assets in specialized businesses, such as smart energy (Atos Worldgrid), BPO (Medical BPO or insurance BPO), Civil and National Security, and solutions in health, transport, smart mobility, manufacturing to name a few.
- A new Service Line, HTTS & SB (High Tech Transactional Services and Specialized Business), was launched July 1<sup>st</sup> to implement this strategy based on differentiation.
- Managed Service is the largest Service Line of the Group where now with its new scale, the company will benefit of competitive advantage to deliver multi-year contracts with resilience and competitive offerings, with a portfolio designed with the best elements of both former groups. The detailed development plan is described in section B.3.3.1.
- Systems Integration Service Line will develop according three major areas where the Company has strong assets: business solutions, SAP based solutions, application management. Leveraging a global delivery model, SI will serve both Foundation IT demand and Business enabling IT.

## B. ATOS POSITIONING IN THE IT MARKET

### B.2. Strategy, organization and objectives for 2012

- Atos has created another new Service Line, C&TS, Consulting & Technology Services, bringing together business consultants and professional services, recognizing that the key drivers of these proximity businesses, are operational excellence, high utilization of capacity, industrialization and scale, build a specific business and require a dedicated management attention. This Service Line is addressing the two segments of IT services targeted by the Group described above.
- Over 2011, a strategic attention has been given at developing a clear Cloud strategy, as the Group intends to be a leader in this domain.
- Last but not least, the partnership with Siemens, the largest industrial shareholder of the company, is unique in the IT services market in its threefold approach: Siemens is not only Atos' largest client, there is also a joint go to market strategy via Siemens One to address new opportunities, and a joint investment program of EUR 100 million over the next 3 years.

#### Looking forward: Innovation Strategy

Innovation is core to support the strategy and is delivered via several initiatives:

- Looking forward, Atos sees a high growth potential in Cloud Computing, Sustainability, Smart Mobility and Enterprise Content Management (ECM) combined with Collaboration solutions. The Group has developed in the past a position of pioneer and strong know-how, such in Testing, Smart Data or Security, that the company wishes to develop further in 2012. In conclusion, its Global Key Offerings policy will be continued and enlarged to include new solutions such as Social Computing, Big Data, Business Intelligence and recently the Zero email™ program.
- The Scientific Community (SC) is currently a network of 90 members, representing a mix of all skills and backgrounds, and coming from all geographies where Atos operates. After having published Journey 2014, the SC has launch the further development of its 5 years vision, to build Journey 2016. Proofs of concept have been designed and developed around the key areas transforming the IT industry with key customers, to identify new business opportunities.
- Atos is also pursuing the open innovation approach together with customers and partners. Customer innovation workshops and joint proofs of concept are the main instruments to progress on important innovation topics with customers. Within the Siemens partnership, a joint investment of EUR 100 M over the next three years will be used to work on innovations, eg. in the area of mobility, energy, and manufacturing. Another example is university cooperation, where eg. an IT challenge with

the aim to develop mobile applications was launched recently with some universities.

**Taking care of its employees**, which is key for success in a service business. Atos now employs around 75,000 persons coming from over 40 countries, of which 60,000 engineers, out of which two thirds in Europe. People is at the core of the Group's strategy with the initiative **Wellbeing@work**, described later in the document. Overall the Group is striving to be recognized as the best place to work, attract new talents and grow/retain key people.

For integrating the new comers inherited from the acquisition of Siemens IT Solutions and Services, the Wellbeing@work initiative has been instrumental to facilitate a smooth convergence of the former Group's cultures. A detail description of this initiative is done in section B.5.

Through the acquisition of Siemens IT Solutions and Services, Atos will reinforce its three streams of action based on an increased scale and on a new set of opportunities to advance differentiation: Siemens IT Solutions and Services is bringing to Atos a significant expansion in the Foundation IT services segment, mainly thanks to a very large portfolio in Managed Services, bringing Atos in a leadership position in Europe, but as well innovative offerings in Business Enabling IT, strengthening the HTTS & SB portfolio.

The new Group is therefore now more unique in the market to address the dual demand of the market, the Foundation IT where its clients are looking after operational performance, cost decrease, automation, and the Business Enabling IT, where IT and innovation will help clients at changing their business model and growing in these difficult times, focusing on industry expertise and business value.

Overall, thanks to these three initiatives, the Group targets:

- to be back at 7% to 8% profitability by 2013 by the combined effect of TOP<sup>2</sup> and the growth in the most profitable Business Enabling IT
- to reach between EUR 9 and 10 billion by 2013.

As a conclusion, the new Group positioning defined as "Your Business Technologist, Powering Progress" expresses in a few words Atos' new profile and the ability to bring together people, technology, and business expertise for succeeding and supporting its clients.



## **B.2.2 TOP<sup>2</sup> Program evolution**

The TOP<sup>2</sup> Program (Total Operational Performance) launched at the end of year 2008 was the first step of the strategy, "the group transformation" and was fully operational in 2009, improving the operating margin level in 2009, 2010, and 2011.

Applying these proven methodologies, accumulated expertise, and governance to the former Siemens IT Solutions and Services entity is a key objective to create value from the acquisition.

In the period running from January to June 2011, the TOP<sup>2</sup> structure was applied into the Siemens IT Solutions and

Services perimeter, in compliance with relevant antitrust regulations, and renamed TOP<sup>2</sup>. All TOP<sup>2</sup> initiatives performed detailed planning, trained Siemens IT Solutions and Services staff to their methodologies and initiated activities in order to embed all planned synergies into the H2 2011 budget.

After closing of the transaction on July 1<sup>st</sup>, 2011 the TOP<sup>2</sup> activities were combined into a single program running on the combined perimeter, and incorporated all integration and combination activities.

### **B.2.2.1 Cost Optimization**

2011 was dominated by the acquisition (planning and implementation) of Siemens IT Solutions and Services. Spend analysis, contract and vendor analysis were undertaken with synergies identified in most categories as well as opportunities to leverage the joint spend where supply bases were similar or either different (this varied by category and geography).

The former Siemens IT Solutions and Services procured over 25% of its services from Siemens group and some of these services needed migrating to Atos functions and/or vendors, some contracting with Siemens on a commercial basis and some stopping altogether. Significant progress has been made on this with accounts payable and payroll starting to migrate, professional services from Siemens switched off and Real estate renegotiated on a reduced square meters footprint and premises portfolio.

In IT, progress has been made with mobile telephony moved to Atos contracts in the major countries and future Atos network requirements sourced. The hardware team has been busy leveraging agreed standardized server specifications and storage needs via e-bid activity. Software sourcing has been focused on transfer of rights issues as well as understanding the assets of the new business and renegotiating terms to the lowest common denominators.

2011 budgets figures for H1 and for H2 were met for non-personal costs and subcontractors through multiple tactics including demand management, policy alignment (travel and fleet), specification standardization, vendor rationalization, catalogues to drive compliance, back office outsourcing, standard of living alignment, subcontractor replacement and rates/charges negotiation.

### **B.2.2.2 Lean Management**

#### **Objectives: Improve and integrate the two companies**

Since the inception of the TOP<sup>2</sup> Program in 2008, Atos has adopted the principles of Lean Management, which enable the Company to leverage the skills and creativity of its staff to pursue simultaneously three goals: Improve clients' satisfaction through improved quality or timeliness, improve efficiency and increase teams' motivation.

Since the first half of 2011, Lean Management played a key role in the merger of Siemens IT Solutions and Services and Atos Origin by standardizing work methods and ensuring that mindsets and behaviors of all employees are aligned with the values of the new group.

Atos considers that operational excellence can represent a sustainable competitive advantage. With a hundred projects involving 9,000 employees in 2012, a team of 180

## B. ATOS POSITIONING IN THE IT MARKET

### B.2. Strategy, organization and objectives for 2012

full time talents dedicated to deploying Lean Management through 3-months long projects, Atos is putting the efforts needed to reach and sustain operational excellence.

#### Sustainability and operational excellence

In parallel to driving close to a hundred Lean transformation projects in 2012, the Group has developed a robust set of mechanisms to sustain the impact of Lean management and to embed continuous improvement into the Atos culture.

These mechanisms include a central team in charge of auditing and maintaining operational best practices on each site following a Lean Management project. This team also constantly upgrades the Lean approach and trains the Lean experts in the latest techniques. For instance, a revolutionary new way to deliver on site support services is being developed in the US and will be rolled out in North America in 2012 and later on in Europe.

The community of site managers having undergone Lean transformations (Lean Commodores) is constantly increasing and is supported by Lean Coaches who are local resources trained in Lean Management and in charge of maintaining the pace of the transformation on a local level. Last, Lean Management will be embedded into new manager's trainings.

Workforce management tools and teams have been reinforced in order to ensure monetization of the work capacity freed up through efficiency gains. This essential mission ensures that staff made available through efficiency gains is reskilled as needed, then positioned on new contracts or as replacement to subcontractors, in order to minimize restructuring costs while building positive momentum and morale.

Finally, the Group is also enhancing its change management effort, focusing on the areas of the business where the transformation and industrialization are the most disruptive, in order to enhance staff support to the transformation, motivate teams and boost its "Wellbeing@work" efforts.

#### Roadmap

Lean Management has been pioneered in all areas of the Atos business throughout 2009, starting with ticket-based activities such as service desks, then expanding to project-based and non-repetitive topics such as application development. 2009 and 2010 were dedicated to building momentum through the declination of Lean Management techniques into a corpus of repeatable tools and methodologies, and the training of over 180 full time in-house Lean experts. At the end of December 2011, the Lean Management has already analyzed and transformed extensively the ways of working of 17,000 direct employees.

In 2012, the Group will continue to deploy Lean Management across all its services with a focus on the post-merger integration with Siemens IT Solutions and Services. The ambition is to place additionally 9,000 direct staff under Lean Management practices by the end of 2012, reaching over 26,000 in all areas of the business and all geographies. A Lean Mindset training will be deployed to train managers to Lean Management in order to further integrate employees from Siemens IT Solutions and Services.

Finally, the other industrialization efforts of the Group (offshoring, tooling standardization, KPIs rollout, benchmarking...) unlock new horizons for Lean Management. The improvement power of Lean Management increases as the group industrializes itself.

#### B.2.3

#### eXpand Program evolution

The combination of Siemens IT Solutions and Services and Atos Origin has resulted in the creation of the European IT champion reaching critical mass and presence in its markets.

One of the unique characteristics of the combination of both entities was the absence of customer overlaps, resulting in the continuity of customer relationships and also as positive customer satisfaction.

Recognizing its new position and in order to reap the benefits from its scale and new visibility, the Group has decided to industrialize its sales engine.

In September 2011, the eXpand program was launched with the mission to achieve best in class sales practices by 2013 and support the Group's ambition with revenue to reach EUR 9 billion as of 2013.

eXpand is structured in close connection with TOP<sup>2</sup>: global initiatives led by top talents and personally sponsored by an Executive Committee member, enhanced with relays in the Global Business Units who are the same individuals as those already in charge of operationalizing TOP<sup>2</sup> locally.

##### Themes covered by eXpand

The program is entirely focused on increasing order entry by addressing **what we sell, how we sell and how we support sales**. It is made of 10 initiatives:

- Portfolio positioning and product-market strategy: enhance delivery readiness to support the full portfolio in all GBUs; reinforce the portfolio management function to provide relevant and differentiated offers to each Markets
- Resource rebalancing: hire top sales and presales talent, in the right geographic and expertise areas; actively manage performance and rewards
- Pre-sales governance: organize presales to make expertise available in the right place at the right time
- Sales performance management: assign territories and quotas to make best use of sales investment; develop standards to manage sales with transparency and discipline
- Sales operations industrialization: use sales efficiency techniques to maximize amount and quality of customer facing time; roll out best practice sales tools and grow the existing offshore support center
- Proactive sales leadership: enhance existing account plans to develop a more proactive sales mindset, cross-fertilize, increase share of wallet; invest selectively in developing new logos; strengthen sales leadership skills

- Win-rate improvement: deploy industry and internal best practices to maximize win rate
- Gross margin adherence: reinforce value and market pricing
- Talents management: develop attractiveness of Atos as the employer of choice for IT sales professionals
- Brand awareness and image: develop brand awareness to increase win rate; proactively measure and manage customer satisfaction

##### Main eXpand achievements in 2011:

- Simplified account plans, applied them to 100% of ex-Siemens IT Solutions and Services and ex-AO customers with a focus on cross-selling between ex-Atos and ex-Siemens IT Solutions and Services
- Operationalized the portfolio management function, built around the combined AO-Siemens IT Solutions and Services offers
- Planned and launched the rebalancing of sales and presales teams in select markets and geographies to support growth and meet customer demand
- Launched Sales efficiency pilots in 2 countries, aiming at making easier the day-to-day activities of sales teams
- Rolled out proven win rate tactics systematically for major deals in the pipeline
- Deployed Atos CRM on the entire ex-Siemens IT Solutions and Services perimeter
- Increased usage of the offshore sales support center.

##### Priorities for 2012

eXpand is focused on tangible improvements visible by the Atos selling community and ultimately by customers. Examples of goals for 2012 include:

- Development of new go-to-market and offering-based partnerships; enablement of delivery capabilities in relevant markets and geographies
- Increasing the connectivity of our network of world class solutions experts, and availability for priority deal solutioning
- Targeted hires in emerging markets and high growth expertise areas
- Aligning the global sales compensation plan with world class players
- Rolling out Sales Efficiency techniques to 100% of sales staff, as well as associated enablers such as an enhanced sales knowledge base, a multi-language offshore solutioning center operational, an enhancement of the CRM system, etc.
- Creating personal development plans for all Sales managers.

## B. ATOS POSITIONING IN THE IT MARKET

### B.2. Strategy, organization and objectives for 2012

#### B.2.4

#### Innovation and portfolio

##### B.2.4.1 Developing a global offer portfolio

In 2011 the Global Key Offering (GKO) program continued the roll out started in 2009, despite the difficult economic conditions.

In the Atos & Siemens IT Solutions and Services merge process, two new GKO's have been created while leveraging assets and know-how from Siemens IT Solutions and Services:

- **ERP Consolidation & Harmonization:** For the benefits of its customers, Atos has a unique experience and develops its own methodology and tools to deliver the best return on investment for customers wishing to consolidate and/or harmonize their SAP instances. This offer fully benefits of our worldwide partnership with SAP and highlights prestigious references such Siemens and Daimler.
- **Civil and National Security:** dedicated to the Public Sector Market, this offer is targeting customer's needs related to Defense logistic, e-ID, crisis management systems, country boarder management, professional wireless systems and services and use of IT in an hardened environment. With this offer we provide some unique solution based on our own Intellectual Property assets, including multiple patents. Innovation in these sectors is particularly driven by recent evolutions in the security domain.

In addition to these two new GKO's, Atos has taken advantage of its merge with Siemens IT Solutions and Services to reorganize its offering portfolio. Thus before the integration phase, from March to June 2011, Atos Origin and Siemens IT Solutions and Services teams have worked together to align their respective portfolio and put in place a "Day 1 portfolio". This portfolio has allowed us to value all the unique Siemens IT Solutions and Services offerings and identify Atos Origin customers potentially interested in each industry. The same exercise has been done for the Atos origin offerings to be pushed to Siemens IT Solutions and Services customers. By working with the Atos markets organizations, this Day 1 portfolio has been promoted to our sales teams from July 1<sup>st</sup> to train them on how

identifying up-selling opportunities in their own account by taken advantages of new offerings not existing in their previous company. An incentive mechanism dedicated to this "Day 1 portfolio" has supported the roll-out of this portfolio.

Offering strategy is also driven by the societal trends when the technology are reaching enough maturity and simplicity to support the induced changes. Thus is for our new program Zero email™ which has been announced early 2011. First objective: our internal benefit through the Wellbeing@work to improve working condition for our collaborators and facilitate the hiring and the retention of new and young talents. Second objective: Atos has shared with customers who contacted us after the CEO Press Conference February 2011, its experience on this new topic, its own analysis of the situation generated by an over use of emails and its methodology to find tangible solutions. More than 20 customers has proactively contacted Atos in the few weeks after the press conference. End of 2011 and after all these customer's feedbacks Atos has prepared the launch of a new GKO Zero email™ which be roll-out in 2012 with a strong consulting component (to promote our own methodology) and multiple technology solutions notably embedding enterprise social network features.

In the scope of the sales program eXpand a particular attention has been brought to :

- Reinforce the teams managing the offering portfolio in some Service Lines such as GSI and HTTS & Specialized Services
- Monitor the roll-out of the offerings within the GBU's while improving the coordination of marketing, innovation, HR around the offerings to maximize the sales efficiency
- Strengthen the internal Atos governance between the various stakeholders (markets, service lines, GBU's)

Details on our Global Key Offerings is available on our Website: [www.atos.net](http://www.atos.net).

#### B.2.4.2 Investing in innovation in the long run

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Following the launch in 2010 of a new program dealing with the Intellectual Property Rights (IPR), Atos has improved its policy in this domain after the Siemens IT Solutions and Services acquisition. Atos has worked in the second semester to refine its IP strategy. This aims to better identify in a systematic way the IP created, to value their potential of reuse and define the appropriate protection vehicle. This initiative has the ambition to facilitate, encourage and manage the development and use of our IP through the whole organization. Therefore this policy contributes to improve Atos perceived value by our customers and Atos sales performance by bringing our innovation to our proposals. These also sustain the reduction of our operating costs by reusing existing assets rather than rebuild them or buy technologies from a third party. In that respect, Atos is pursuing the consolidation of its R&D effort in order to generate long term recurrent revenues. End of 2011, Atos has delivered substantial sales success embedding security IPs.

Customers stay even more in the heart of Group activity and as such Atos has run numerous Innovation workshops and collaborative innovation events with its customers and partners. These workshops and events, in addition to the Proof of Concepts (POC) are key factors of success for services and products innovation, integration, open innovation and finally launch of new keys ideas into business.

Atos and Siemens, in the scope of their joint partnership following the Siemens IT Solutions and Services acquisition by Atos, have decided to both allocate EUR 50 million on R&D, with the ambition to speed-up the innovation and develop new joint distinctive offerings. Over the ten potential joint development projects identified before the Siemens IT Solutions and Services acquisition (i.e.: communication platform to remotely capture data, railways maintenance, embedded solution for electric cars...) seven projects have been submitted to the joint investment committee by end of 2011.

## B. ATOS POSITIONING IN THE IT MARKET

### B.2. Strategy, organization and objectives for 2012

#### B.2.4.3 The Scientific Community

During the fourth 2011 semester, the scientific community has been reinforced with new members coming from Siemens IT Solutions and Services and is now a network of ninety people, representing a mix of talents and expertises from all the countries where Atos operates. 20% the 2010 community has been renewed, to allow new members to contribute to new prospective thematic.

Its mission is still to help Atos anticipate and craft its vision regarding upcoming technology disruptions and the new challenges faced by the industry. Sharing this vision with its clients and investing on the related findings, Atos intends to help its clients to make critical choices regarding the future of their business solutions.

In 2011, the scientific community has studied ten key identified challenges for its industry and its clients. In addition, the community is working on eight building blocks as user interface, process, context, social graph, data brokerage, etc. which combined with the ten challenges constitute the five-year vision for Atos Origin called 'Journey 2014'.

In 2011, the Scientific Community has concentrated on:

- implementing with customers the concepts developed in Journey 2014 by building "proof of concepts",
- providing it support for external communications in line with the CEO Press Conferences,
- designing "the Future Centre" to present our Vision to customers, partners and staff, .
- initializing Open Innovation and incubator *vis-à-vis* students through the Atos IT Challenge organized in 2011 ([www.atositchallenge.net](http://www.atositchallenge.net)),
- and the launch of 'Journey 2016' identifying twelve new challenges for the next five years.

More than 10 proof of concepts have been implemented in the domains of Smart Mobility, Cloud Orchestration, Social Network Analysis, Business Process Modeling, Identity Management, Smart Metering, Creative Lean, Risk Assessment in Solvency 2, etc. Participation of customers to these proof of concepts program has generated opportunities for new business in innovative fields.

Having experienced the challenges and building blocks to real situations that demonstrate the theory in practice, the Scientific Community has delivered a new version of "Journey 2014" focussing on "Simplicity with Control", a 120-pages document to be made available to Atos strategic customers, its main partners and its staff. For the same

audience, sixteen White Papers have been published on adjacent topics.

The "Future Center" has been designed and will be implemented in 2012. The "Future Center" will be accessible from every large premises of Atos Origin and will be key to support an open innovation culture within Atos.

The Scientific Community operates internally using the cooperation principles sometimes called "organization 2.0" with tasks chosen and not assigned, peer rating, collaboration tools. It has contributed to internal pilot projects to identify potential solution for its Zero email™ program.

With the basis of Journey 2014, Scientific Community can pump prime a process of Open Innovation targeting Students, Universities and Startups.

Extending the reputation of Atos in the Olympics, the IT Challenge will address thirty universities in the five main countries where the Group operates. It will identify students who can contribute to the development of Smart Mobility applications using, as needed, the concepts and tools developed by Atos.

The best teams will be rewarded through several distinctive experiences including invitation to Summer Olympics in London and industrial implementation of their ideas. Universities are for most of them willing to anchor their research into industrial reality. Smart Mobility applied to the connected cars has been the first theme with the ambition to create a chair at the French Pierre & Marie Curie University with the group car manufacturer Renault.

Also link with the Smart Mobility and the car industry, Atos is willing to be one of the founding member of the Vedecom Institute (Decarbonated and communicating vehicule) regrouping car industry actors and research labs, to ease the goto market of intelligent solutions for:

- Zero-carbon vehicles and associated technologies
- Connectivity and multimodal cooperation and services among the vehicle and its environment

## **B.2.5**

### **Quality**

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To align with the extension of distributed delivery of services across onshore, nearshore and offshore capabilities, The Groups' Quality organization had to adapt to contribute to continuous improvement of services delivered to our clients.

The decision was made and implemented in 2010 to incorporate at a country level, a Quality correspondent network strongly integrated at a Service Line level.

Whereas the country Quality correspondent are focusing on customer Service Level Agreement achievement and satisfaction, the Service Line is working to improve the back office in efficiency, quality and fluency.

As a result, distributed sourced projects and ongoing services benefit from a unique Quality Management System per Service Line implementing common way of working for all Atos staff to deliver our offerings seamlessly end-to-end, delivery site notwithstanding. For this, it implements a common set of processes, guidelines metrics that are supported by our standard tool set.

This ensures:

- Constant measures, reviewing the effectiveness of our delivery and using this input to implement a continuous improvement loop to improve quality, performance and predictability of our deliveries for the benefit of our customers.
- To become a learning organization - something that has been developed can be shared and re-used by other parts of the organization.
- To be more flexible in moving work to the most appropriate location based on skills, proximity and cost requirements. Of course, the maturity and compliance of our standard processes and usage is constantly being assessed against Industry and international such as ISO 9001, ISO 20000, ISO 27001 as well as CMMI 3/5.

Another example of this focus on end to end improvement is the review by Delivery Line Global Quality Director, on a weekly basis, of action plans for all accounts that do not achieve 98% or more of their SLAs (and we plan to extend the threshold to 100%).

Thus we enforce strongest commitment to Quality and proactive problem management of Atos.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

## B.3 Sales and Delivery

### B.3.1 Atos Sales and Business development approach

The IT intensiveness of our customers is increasing due to various structural reasons:

- Globalization: bigger organizations need more IT to manage scale and internal complexity.
- Connectivity: It is a booming area. Individuals, professional groups, devices, objects are connected and create a massive need for a new layer of IT systems and solutions.
- Data deluge is actually happening.

Further to the acquisition of Siemens IT Solutions and Services, Atos has a lot of new capabilities. In Business enabling IT services, SIS has brought additional HTTS capabilities and footprints (in LATAM, in CEE, ...) and some highly valued vertical expertise (Civil and National Security, Smart energy,...). In Foundation IT services, Siemens IT Solutions and Services is a game changer providing the new company:

- a better geographic reach (additional 15 countries with direct presence),
- a significant increase of our offshore capabilities,
- a step-change in size and industrialization potential,

- an exceptional data-center network to allow Atos to become a leading Cloud Computing firm.

In this context, Atos' ambition is to create organic growth as of 2013.

To achieve such an ambition, Atos' Sales and Business development approach is to:

- Build a portfolio of innovative and competitive vertical offerings addressing key business issues of our customers,
- Develop client intimacy and sell on the basis of superior intelligence of our customer issues and objectives,
- Focus on a limited number of customers and on the services for which we have proven expertise and competitive advantage,
- Develop consultative selling to pro-actively propose our customers solutions that address their key business issues,
- Look for profitable growth by positioning on value added services.

#### B.3.1.1 Sales has been a key dimension of the integration of Siemens IT Solutions and Services

Sales has been a major stream of the integration program which achieved major milestones:

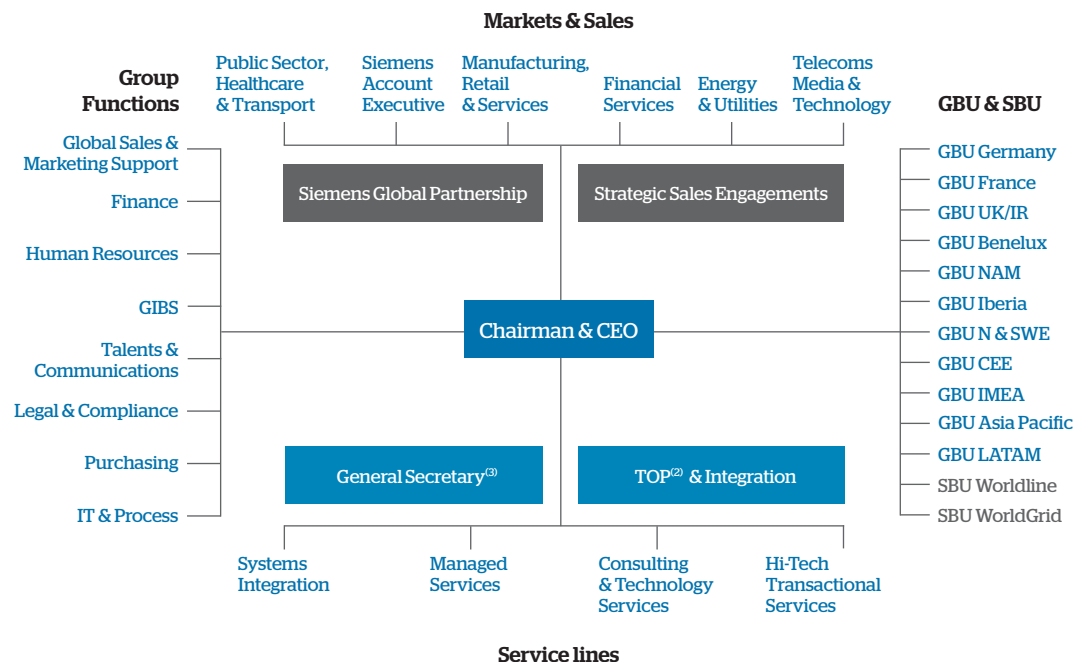
- An integrated large deal was set-up and running on July 1<sup>st</sup> 2011 at the closing date
- An integrated portfolio per Market was defined on July 1<sup>st</sup> 2011
- Sales materials supporting the new integrated portfolio were ready on July 1<sup>st</sup> 2011
- 1,100 customers and 500 new logo of Siemens IT Solutions and Services were visited during the first half of 2011, to present the new company,
- Sales force was trained to the joint Sales best practice methodology and the new integrated portfolio,

- Integrated account plans were defined for all accounts with yearly revenues above EUR 3 million in the first 6 months of the new company.

A strong managerial attention was given to the sales community to secure key sales people and unwanted attrition of key talents was prevented.



B.3.1.2 A new company set-up to support Sales



The organization of the company was redesigned to support the three major growth levers of the new Atos:

**Growth lever 1: Markets**

Five Markets have been defined:

- Manufacturing, Retail & Services,
- Public Sector, Healthcare & Transport
- Financial Services,
- Telecom, Media & Technologies,
- Energy & Utilities.

Global Markets:

- Are accountable for Pipeline, Order Entry, Revenues and Sales costs,
- Define Market strategy and portfolio,
- Ensure direct management of global accounts,
- Cross-sell across geographies & expand customer base,
- Cross-fertilize on portfolio across Service Lines.

Each of our five Global Markets is driven by an executive committee member with an in-depth expertise of the Market.

Each GBU internal organization is mirroring the Group organization with 5 local Markets which:

- Locally execute the Market strategy defined by Global Markets,
- Locally implement the global portfolio,
- Manage local accounts and local deals,
- Manage local Sales force.

**Growth lever 2: Strategic Sales Engagement (SSE)**

Strategic Sales Engagement primary mission is to increase the Atos Market share on the large deals market:

- By focusing specialized highly-skilled resources with a solid track-record of closing large complex sales,
- By developing a strong relationship with third-party industry analyst and advisors,
- By pro-actively proposing large-scale Transformation projects to existing customers and new logo.

SSE has 160 experts organized in two groups:

- 70 experts in Global SSE to address cross-borders MS deals over EUR 100 million and SI / HTTS deals over EUR 50 million on a global basis
- 90 experts in Local SSEs to ensure that GBUs win more of mid-size deals.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

#### Growth lever 3: Siemens strategic partnership

A dedicated team, headed by an executive committee member, was created to ensure that we properly interact with Siemens AG and internally coordinate actions and to leverage the full potential of this powerful partnership.

To implement this partnership, Atos is now the only partner of Siemens to be part of Siemens One, the body that ensures collaboration of Siemens companies on vertical markets. Siemens One is built on 14 Market Development Boards. These Market Development Boards decide on product development and go to market across Siemens companies for a specific vertical market.

Atos is joining 12 of these Market development Boards. On these 12 vertical markets Atos is participating in product

development projects, providing the IT systems that will be embedded in the products to be developed that these boards select based on market potential.

In the first six months of the new company (second half of 2012):

- The partnership governance was implemented,
- The partnership teams were set-up both at corporate level and in the GBUs,
- Joint opportunities pipeline were identified,
- Joint-investment projects have been identified and first investment funds have been released.

Commercial cooperation between the two companies is now fully operational and targeting Order Entry as soon as early 2012.

#### B.3.1.3 eXpand: Atos Sales Transformation program

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eXpand aims to significantly improve three main KPIs: Qualified Pipeline, Win-Rate and Order entry to generate sustainable profitable growth.

eXpand is an Executive Committee program where each stream is sponsored by an ExCom member.

From an operational stand point, eXpand is deeply coordinated with the TOP<sup>2</sup> Program to ensure ease of execution and reuses - from TOP<sup>2</sup> - the same execution discipline:

- Leverages the same country leaders as TOP,
- Linkage with budget process is the same as TOP,
- Focus on actions, with a strong local involvement.

Through its 10 streams, eXpand addresses all the relevant issues to improve the commercial efficiency of Atos:

- Portfolio and resource alignment
- Sales efficiency
- Win Rate improvement for Renewal and New business
- Gross Margin optimization
- Brand and Talent management

#### B.3.1.4 Marketing approach

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##### Context

Since the launch of a global marketing function as part of the TOP program in 2009, establishing marketing as a key enabler of growth has become a strategic priority of the group. While the function has been set up in 2010 by aligning people, processes and tools on a global scale as well as rolling out global campaigns, in 2011 the focus was shifted to training and supporting the enlarged Atos sales force.

Marketing at Atos is driven by sales objectives and fully reports into sales; thus the two missions of the function include:

- Sales Enablement-Development of tools, demos, how to sell guides and other sales material to empower the sales force; provide sales trainings on offerings and portfolio (how to sell what and to whom); run sales portals and further sales enablement initiatives all aiming to increase sales productivity and efficiency
- Demand generation - Drive demand through global campaigns to push offerings or bundles of offerings addressing specific client needs through various marketing online and offline channel.

##### What's New?

From an organizational point of view the merger has been a great opportunity for marketing since both marketing organizations had complementary strengths; during the integration a number of best practices from both sides could be implemented. New areas such as market and customer intelligence have been build up and started to deliver results.

The new organization is strictly designed alongside industry benchmarks; a roadmap for organizational development for the coming years has been put in place. In 2011, the primary marketing focus has been the enablement of the sales force on the activity of the second semester due to new portfolio or sales tools. Consequently, a significant part of the marketing budget has been invested in order to ensure that proper sales tools are available on July 1<sup>st</sup> 2011 so that sales activity runs smoothly despite the integration, a new organization and a new portfolio.

##### Atos Ambitions

In 2012, focus should be back on demand generation and the roll out of global campaigns in order to build the pipeline. The organization has been strengthened significantly in order to be able to drive a number of global programs for worldwide implementation. In order to do so, investment into best in class marketing processes and tools (such as marketing automation) and also highly skilled B2B marketing experts is planned.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

#### B.3.2 Markets: description of context, achievement and ambition for the five identified verticals

##### B.3.2.1 Manufacturing, Retail & Services

###### Context

In 2011, manufacturing looked set to lead the way out of recession, with the retail and service industries following close behind. Towards the end of the year, renewed concerns over the economy, particularly in Europe, left all three markets in a state of renewed unpredictability.

In all three sectors, fluctuating demand created challenges with regard to both capital and cash flow. At the same time, even though most consumers are spending less, their expectations continue to rise as they look for both better value and increased choice.

Commitment to sustainability and ethical behavior remained strong, thanks in part to the recognition in all sectors that these are intrinsic to continued business success, not only in terms of cost and operational efficiency, but also in terms of brand and reputation.

Globalization will continue to be a driving force, and the ability to serve diverse markets and to optimize extended supply chains with real agility was regarded as a high priority throughout the year.

###### What's New?

For Atos clients, business priorities remained largely stable in 2011. The key focus on improving business processes and on reducing enterprise costs, for example, continued to be strong recurrent themes.

There was a marked increase, however, in the emphasis which our clients placed on the importance of analytics and workforce productivity - and both of these reflect the demand for actionable, real-time information and intelligence across all three sectors.

The coming together of Atos and Siemens IT Solutions and Services was a major event this year, and of all Atos' markets, perhaps had the greatest resonance in manufacturing, retail and service where the combined value of the new company was recognized in numerous specialist sub-sectors:

- Aerospace and Transport Equipment
- Automotive

- Chemicals, Metal & Mining
- Consumer Packaged Goods (Food and Beverage)
- High-Tech and Engineering
- Machinery and Plant
- Pharmaceutical
- Pulp, Paper and Wood.

###### Atos Ambitions

The actual process of creating the new Atos acted as a powerful catalyst in examining and forming the Company's strategy in manufacturing, retail and service.

With over 10,000 specialists in these sectors, and 30 years' experience, Atos crystallized its focus on four specific areas of expertise in 2011 - each of which would contribute directly to our clients' business value:

- Product and service innovation - continuous innovation underpins success and differentiation in manufacturing, retail and service. Atos' depth of expertise in Product Lifecycle Management (PLM) is particularly relevant here.
- Manufacturing operations excellence - the traditional focus on operational excellence at individual plants needs to be radically extended across all operations. This becomes pivotal both in the drive to reduce the cost of production and in the ability to compress time-to-market for new products and services. In 2011, Atos further refined its Manufacturing Execution System (MES) proposition, boosting its ability to support clients in this critical area.
- Global supply chain management - all manufacturing, retail and service companies are affected by the need to manage global supply chains, whether directly or by proxy. As a fully global company itself, Atos placed an even greater emphasis on the importance of smart logistics and global supply chain during 2011.
- Customer loyalty and brand equity - loyalty and brand have been massively affected by online presence and the ability to build and sustain client relationships at any time and from any location is high on our clients' agenda. Atos' depth of experience in CRM and hi-tech transactional processing combine with more recent developments in smart mobility to offer distinctive and differentiated propositions.

In manufacturing, Retail & Service, Atos continued to combine the value of foundation IT with industry-specific capabilities during 2011. This approach was rewarded with both a high proportion of contract renewals and a significant volume of new business.

#### Industry-specific expertise

In each of the four business-critical areas outlined above, Atos has clear and differentiated industry-specific offers. Manufacturing and engineering are very much part of the Atos DNA, and this has been further strengthened with the launch of the new Atos. Highlights of 2011 include:

- **Product Lifecycle Management** - PLM was a core industry specialty both for Atos and for Siemens IT Solutions and Services. With the new Atos, these complementary capabilities make an even stronger proposition. Atos is particularly keen aiding both major enterprises in their desire to rationalize and extend PLM,

and smaller manufacturing companies, in adopt what is fast becoming a "must have" PLM capability.

- **PLM on demand** - with Cloud delivery a clear path to business agility, Atos has refined its PLM proposition in partnership with PTC to offer this critical capability as an on-demand service.
- **MES** - during 2011 we extended our core MES capabilities with an extended range of consultancy services. These help clients scope opportunity and build a qualified business case for MES adoption across the extended enterprise.
- **Smart Mobility** - launched in 2010, our smart mobility capability was extended in 2011 with a strong emphasis on the automotive sector.
- **Sales and Operation Planning** - management intelligence and agility have become absolutely critical in manufacturing, retail and service. Atos mastery of real-time data management has been increasingly sought after during 2011.

#### B.3.2.2 Public Sector, Healthcare & Transport

##### Context

Public Sector, Healthcare & Transport is the broadest of the market categories in which Atos does business. This is extended further when one considers that Education and Defense and Security, each specialist markets for the Company in their own right, are also included.

With such a broad scope, it is important to retain focus on each sub-sector. It is, however, also possible to observe these sectors together, noting trends, concerns and challenges which they hold in common.

In 2011, their obvious shared characteristic was budget constraint. The public purse was under extreme pressure, particularly in Europe where the challenge of reconciling the expectations of public sector employees and the citizens they serve in the face of tight public spending was front page news for much of the year.

It would be a mistake, however, to focus solely on finance. Across these sectors, we saw people and organizations seeking to exploit new collaboration and communication technologies in order not just to "do more with less", but also to craft entirely new modes of service delivery to the citizen and employee.

##### What's New?

Across all PHT sectors, Atos can point to engagements in 2011, in which the intelligent and innovative application of information technology made a difference. These ranged from the delivery of mobile real-time flight information to Air France KLM customers, to the launch of secure private Cloud Services for public sector organizations, in collaboration with Microsoft.

The formation of the new Atos in July 2011 had a strong and positive impact. The extended company profile across Europe, for example, presented immediate opportunities to share new ideas and best practices in both central and local government engagements.

In healthcare, it was notable how complementary experience created a new and extended value proposition. Atos Origin, for example, had a strong profile in patient records management and healthcare outsourcing, and this combined easily with the Siemens IT Solutions and Services strength in hospital management and specialist systems.

These complementary strengths were also quickly made evident in transport and urban service systems, where the extended relationship with Siemens AG also gave new depth to the overall proposition, as information and engineering strengths combine. Our IT in Cities program complements

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

these initiatives, with its focus on delivering integrated services to citizens across fixed and mobile devices.

#### Atos Ambitions

Atos' ambitions for the Public Sector, Healthcare & Transport will continue to focus on areas in which our expertise creates value and differentiation.

Foundation IT services will remain an essential element in our engagements in these sectors: managing the infrastructure and applications on which our clients rely, and providing the support that their workforces need to work productively, safely and securely.

Increasingly, however, we will shape our capabilities to drive the strategic direction of information technology use for our public sector, healthcare and transport clients. Sustainability, for example, becomes a central element here. Public service organizations are under an obligation to lead by example in sustainability, and the way, for example, in which Atos is able to design and implement workplace models which minimize real estate and travel costs makes a direct contribution.

Throughout the Public sector, Health & Transports, the massive uptake of smart mobile technology in people's private lives has an immediate influence on their expectations of public service. Here too, Atos is intensely focused: designing education infrastructures, for example, to allow people of all ages to pursue lifelong learning.

Security remains high on the agenda across these sectors, and here too, Atos has a particular strategic focus. We are actively involved in national security initiatives, with identity management, border control solutions, risk management and secure communications all featuring in our activity. We have also been increasingly involved in the development of the strategic approaches needed to counter cyber security challenges. Atos does not position itself only as an IT service supplier to our PHT clients. We are extremely pro-active in our stance, and aim to establish relationships of genuine partnership. Formal collaboration between public and private sector organizations, with appropriately crafted contract and commercial models, is now a recognized business model in the public sector, and one which Atos actively endorses. We aim to anticipate need, as we become actively involved in both strategic and operational challenges.

Atos has a clear understanding of the trends affecting each of the PHT markets, and has crafted focused strategies and approaches for each, as summarized below.

#### Industry-specific expertise

The ability to craft foundation IT services to meet the specific requirements of public sector, healthcare and transport clients is an essential capability. The way, for example, that a local government uses cloud-based information delivery to the citizen may be very different from the way in which central government agencies exploit shared service centers.

Atos also offers a broad spectrum of highly specialized solutions for its clients in public sector, healthcare and transport. A small selection of these is illustrated here:

- **Government Frameworks:** helping public sector agencies integrate services securely and efficiently.
- **City cockpit:** giving local government management and operational teams the active dashboards they need to optimize service delivery and organize civic resources to best effect.
- **Ticketing and journey planning:** giving people the tools they need to plan journeys and purchase tickets with maximum value and convenience, from both fixed and mobile devices.
- **Defense logistics:** creating secure asset co-ordination systems which can be shared at both national and international level.
- **eHealth solutions:** exploiting the best in communication and collaboration technologies to inform and educate the patient.
- **Civil & National Security:** a full-spectrum solution and service approach that helps clients to detect, prevent, respond and recover in a network-centric environment. This comprehensive suite of answers from mission planning and border management to data fusion and emergency response will deliver more integrated and more agile information performance.

#### Significant Wins in 2011

Atos won significant PHT contracts in all key geographies during 2011, spanning industry-specific solutions, foundation IT services and hi-tech transactional services.

Highlights included new IT outsourcing contracts with the department of Public Prosecutions in the Netherlands; a

major Enterprise Content Management solution for defense contractor Thales; and innovative client information systems for France/KLM. 2011 was also a year of important contract renewals. These included fare collection services for Cordoba in Latin America, civil and national security renewals with the UK civil service, and ongoing systems integration engagements with the French Ministry of Agriculture.

#### B.3.2.3 Financial Services

##### Context

The macroeconomic stabilization seen in 2010 was partly eroded in 2011 with diminished economic activity and confidence. A renewed sense of financial crisis took hold, with the Eurozone debt crisis and the general need to address sovereign debt particularly apparent. As a consequence, the finance sector needed to address banking failures, funding pressures, balance sheet de-leveraging and enhanced regulation including Basel III and Solvency II.

Financial services are globalized, and the scale of opportunity was not the same everywhere in 2011, with emerging markets showing greater dynamism throughout the year. In mature markets, the pressure to reduce operating costs through improved process, unsurprisingly, remained intense.

For both banking and insurance markets, 2011 has been a year of the "back-to-basics" business model, but also with a renewed focus on growth market segments and on the use of technology to enable new products and services (mobile, social media). Across the financial services industry, the ability to focus on the individual client experience was seen as key to growth. Not only was it essential to rebuild trust at an individual level, it also became essential to maximize the opportunities for business with each customer.

##### What's New?

In many respects, 2011 was a year of "more of the same" for the financial services industry, and as an IT solutions and services company, Atos worked with its clients to focus particularly on:

- The drive to lean operating models
- Product innovation and accelerated speed-to-market
- Continued pursuit of flexible multi-channel distribution

- Establishing global standards for automated business process
- Rationalizing global IT platforms for both applications and infrastructure

The creation of the new Atos in July was an event of immediate interest for our financial services clients. Particular interest was shown in the significant increase in geographical footprint, and in the augmented scale of specialist resource: the Atos financial services team now totals some 15,000 experts.

Perhaps the most significant was the heightened interest in the Company's hi-tech transactional services, which have a clear contribution to make both in process efficiency and in furnishing the data which underpins actionable business intelligence.

##### Atos Ambitions

The Atos financial services strategy is clearly delineated, and the new company rapidly brought together its complementary capabilities from July 2011. The Company made the comparison and combination of offers and client portfolios its top priority at launch.

We recognized immediate opportunities to extend business into new geographical markets, encouraging international business growth with selected customers and encouraging top line synergies in terms of portfolio expansion.

During 2011, Atos continued to refine its foundation services for financial services clients, building on its reputation as a provider of core infrastructure and application services, with Cloud naturally becoming part of the equation. Identity, security and risk management, together with data center operations also featured prominently.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

The critical emphasis, however, was placed on market-specific solutions and services, in which Atos could take full advantage of a depth of experience of banking and insurance processes. These include our powerful assets of hi-tech transactional services and core platforms.

#### Industry-specific expertise

Atos market-specific solutions and services are carefully identified and developed according to the trends and strategic developments of these markets. Highlights of 2011 include:

- **Multi-channel management** - with over two billion internet users worldwide, financial services companies must be able to develop compelling and profitable products across all delivery channels. Atos designs, builds and runs web 2.0 delivery vehicles for its clients.
- **Core process transformation** - Atos has a deep knowledge of core banking and insurance processes. Combining specific skills in Enterprise Content

Management and collaboration, we help banks and insurance companies streamline process, offering fully outsourced services where desired.

- **Hi-tech Transactional Services** - as the leading provider in Europe, Atos already has a high profile in mass processing of financial transactions. These services are now increasingly sought-after for CRM activity, given the banks' business focus on customer experience and earnings-optimization.
- **Core banking and insurance solutions** - Atos has depth and breadth in core solutions. These span back office processing, credit collection, corporate treasury and cash management, along with outsourced insurance life and pensions closed book operations.
- **Risk, regulation and compliance** - Atos offers specific capabilities in data management, risk management, Solvency II, Basel III, and information security. These services are offered on a global scale, but always with full knowledge of local regulatory and compliance conditions.



#### B.3.2.4 Telecom, Media & Technologies

##### Context

Although telecommunications, media and technology are both distinct markets, with distinct challenges, crossover continued during 2011: telecommunications companies exploited the device and application platforms of technology companies over which media companies delivered content.

Voice and data traffic volumes in 2011 were staggering. It's not surprising: two billion of the world's population is now internet users and smart-phones are set to overtake personal computers as Internet access devices within two years. Despite these volumes, telecommunications revenues remained more or less flat – in Europe and the USA, at least. This contrasted with the strong revenue growth of the emerging markets of Brazil, Russia, India and China.

Despite these volumes, the challenges are clear:

- **Telecommunications:** companies face near-saturation in mature and consumer markets. Tougher competition leads to a decrease in Annual Revenues Per User, with profit further eroded by the need to invest in capacity, and the emergence of new pure internet and Cloud players. Erosion of traditional revenue streams pushed telecommunications companies increasingly towards new earners - Cloud for enterprise and consumer markets, along with increased interest in machine-to-machine communication began to raise serious interest in this respect.
- **Media:** the passage from analog to digital is relentless. Audiences become increasingly fragmented and media services more personalized as a result. The challenge of managing monetization is acute and increases in complexity as the choice of platform expands. For press-based publishers, the need to carry content through to online and digital media remained an unavoidable imperative.
- **Technology:** competition is fierce as the gap between innovation and commoditization shrinks. Acquisition and consolidation are rife, and the Cloud shifts emphasis from hardware to software.

##### What's New?

In 2011, Atos clients in telecommunications, media and technology continued to pursue operational efficiency aggressively, and this was reflected both in their insistence on more effective IT spend and on their focus on making core processes, such as billing and CRM ever more agile and

efficient. In all cases, organizations are under pressure to "do more with less", and even when IT budgets remain static or diminish, the insistence that IT should better support business objectives remains very much in evidence.

In all three sub-markets, increased and often completely new forms of competition lead our clients to critically examine their core business. As a result Atos not only continued to win IT outsourcing business, but also increased its proportion of hi-tech transactional processing, both for billing and CRM services.

The mid-year launch of the new Atos enriched the service mix we are able to offer our clients, and we were quick both to carry this message to our existing clients, and to ensure that these extended capabilities were communicated more widely. This development was received with particular interest amongst tier one telecommunications players in Europe. In part this was due to the opportunities gained through the increased European footprint of the new company, and in part to the extended non-European presence - many tier one players also have keen interests in Latin America and Asia.

The extended Atos capabilities were most evident in Cloud Service offerings and expertise in billing solutions. For our media clients, we gained extensive capabilities in digital media facilities for the first time.

##### Atos Ambitions

There is a natural fit for Atos in the telecommunications, media and technology sectors: all the services they offer are underpinned by IT-enabled processes, which is where our own key competence lies.

In each of these sectors there is a continued demand for foundation IT and Atos' continuing leadership position in IT outsourcing for telecommunications remains central to our own development strategy. The world of telecommunications, media and technology is increasingly globalized, and the strength and agility of our own global service delivery model resonates strongly in these sectors. For our media clients, the continual drive from analog to digital remains a constant theme, and Atos' new capabilities in studio transformation illustrate this focus well.

Atos will continue to build business with the major players in its key European markets, but will also heighten focus on emerging markets, especially in Eastern Europe and Latin America.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

As always, however, it is the industry-specific capabilities which create the greatest differentiation. We will always seek to enhance stand-out with the "end-to-end" nature of the proposition. Atos has 8,000 IT and business specialists working full time in telecommunications, media and technology. Their skills combine consultancy, system integration skills, ongoing service management, and, unusually, full transactional services.

Offer development in 2011 took into consideration the fact that in all sectors in which Atos is active, our clients are themselves highly dependent on telecommunications, media and technology. The emphasis we have placed on smart mobility, for example, shows how we can sell both with and through telecommunications and media companies to help meet the demand for new, context-driven mobile services in other sectors.

#### Industry-specific expertise

Atos has developed numerous offers for the specific market requirements of our clients in telecommunications, media and technology. In 2011, we gained particular market traction with four of these, partly thanks to the interest generated by the launch of the new Atos.

- **MVNO Platforms** - the Mobile Virtual Network Operator model has radically altered the profile of the telecommunications market. Atos MVNO platforms have generated particular interest among tier one players seeking to sell services on to third party operators, on one hand, and looking to break into new geographical

markets on the other. The Atos MVNO platform delivers all the IT-enabled processes and tools required to establish and operate an MVNO.

- **NGIN** - our Next Generation Intelligent Networks are one of the few commercialized solutions on the market which allow mobile operators to fully exploit fixed/mobile convergence. This is particularly useful in the enterprise space, and allows operators to offer genuinely integrated contracts and services across fixed and mobile devices.

- **Digital Media Facilities** - the design and management of digital media facilities is highly specialized and requires deep knowledge of both rapidly evolving technology and of media culture and operations. Key to success is the ability to help media companies create and syndicate content with exceptional agility across multiple channels. Again, the drive to transform analog to digital is continuous, and the associated desire to create and deliver content seamlessly across multiple channels contrasts starkly with the traditionally fragmented media landscapes.

- **Billing solutions** - billing in telecommunications is unlike billing in any other sector. Millions of micro-events must be recorded, aggregated against variable tariffs, billed and collected. This already complex scenario is made even more demanding by the need to continually enhance and extend client service, minimizing churn which often runs in excess of 20%. Atos offers full billing solutions, with fully outsourced transaction processing if desired. Consolidation and harmonization is an Atos specialty in markets where heterogeneous heritage systems are now widely perceived as barriers to operational efficiency and agile business development.

#### B.3.2.5 Energy & Utilities

##### Context

Nothing brought the real issues of energy and utilities into perspective like the UN Climate Talks held in South Africa in December 2011. Emissions control has to be a shared responsibility; it has to be enforceable; and it has to respect the position of all nations: less developed economies cannot be expected to offset consumption for everybody else.

With sustainability being the keynote theme of 2011, we saw both a continued focus on renewable and some very real developments in smart grid and in the shift by which "load follows generation" rather than "generation following load."

In oil and gas, as always, extraction got even tougher: indicatively, 2011 was the year that "fracking" became part of the standard news vocabulary.

Sustainability, however, goes beyond the reduction of emissions and the minimization of environmental impact through upstream activity. Energy and utility companies also placed security of supply higher on the agenda in 2011: politically motivated strike on production or supply came to be seen as a real and present risk. Security and safety are always high on the agenda in energy and utilities, and in 2011, Fukushima raised concern with nuclear around the world.

Energy and utility companies also faced continuing economic and operational challenges in 2011. Both the workforce and the infrastructure are aging, and both require significant investment. Providers were pressured to optimize operational costs at every step of the production and business chain - and to do so in the face of volatile and hard-to-predict spending patterns.

The continuing impact of deregulation was also in evidence, and for many utility companies this generated increased interest, for example, in the need to rationalize and consolidate their use of industry-specific instances of SAP.

Other themes which Atos saw continually through 2011 included: life span renewal and nuclear stress testing, grid automation with increasingly integrated operational toolsets, and smart metering, CRM and home automation.

##### What's New?

2011 saw some significant and highly positive developments for Atos in the energy and utility sectors.

Atos had invested strategically in the development of its own smart metering and smart grid platform. The dominant French utility provider ERDF had selected Atos for a large scale pilot, and in October, following government approval, announced its intention to roll-out smart metering to over 35 million properties. The Atos solution will support the world's first implementation on this scale.

In 2010, Atos established Atos Worldgrid, its specialized unit focused on the industry-specific IT and critical real-time process requirements of the energy and utility sectors, and during 2011 the unit gained real traction as a voice of influence in these highly specialized sectors. Atos Worldgrid has a strong story to tell in nuclear, and during 2011 continued to invest and develop highly-specialized capabilities in nuclear instrumentation and control. Similar specialty in systems for the management of physical gas dispatch was also a focus during the year.

With the launch of the new Atos, our capabilities and authority in these sectors also moved up a gear. In part, this is thanks to highly complementary capabilities. Atos Origin, for example, was particularly expert in "meter-to-grid" while Siemens IT Solutions and Services brought specialist expertise in "meter-to-bill". The additional capabilities gained through the integration of Siemens IT Solutions and Services were particularly relevant here, with their depth of skill and experience in SAP for utilities, which constitute a complete suite of billing, CRM, and metering services. Indeed, the overall Atos SAP strength rose to over 8,000 on the launch of the new Atos.

The launch of the new Atos also has strong and positive implications regarding geographical influence and strategy. The new opportunities for Atos in Germany and Eastern Europe are important. Until now, Atos has not broken into these markets in the UK, and with our newly extended depth of expertise, this now becomes part of the ambition. Further afield, Latin America and Asia Pacific also now become very real targets for energy and utilities. Atos is extremely focused on its geographical targets, and will seek to build new business in countries where it can leverage its reputation and demonstrable best-practice.

##### Atos Ambitions

Atos has a clear and focused strategy for the energy and utility sectors. This can be presented simply in terms of four key development areas.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

- **Atos Worldgrid** - our highly specialized energy and utility business unit will continue to take the lead in driving innovation in industry-specific solutions. The depth of skill of Atos Worldgrid was significantly extended in 2011 with the formation of the new Atos. Two areas of competence in particular are worth mentioning: first, we strongly increased capability in SAP for Utilities, the now dominant ERP platform in the sector and second, we built a lasting relationship with e-utile (specialized developer of, among other things, smart metering roll-out systems).
- **Atos Foundation IT** - all energy and utility companies need to optimize the efficiency with which they source and manage core IT infrastructure, applications and support. Atos will continue to position itself as an end-to-end service provider in this space. To date, our extended transaction processing capabilities have not featured significantly in these sectors, but as utility operating practice changes, this too will alter.
- **The Siemens Alliance** - Siemens is a world force in engineering solutions for the energy and utility sectors. The Atos alliance with Siemens will create an unrivalled combination of IT and engineering value. Atos' expertise in combining data in real-time from both operational and business systems to create actionable intelligence will feature strongly in this proposition.
- **Global Focus** - more than in any other sector, the actions of energy and utility companies have long-term global implications. Atos operates at a global level, and will seek to build on best practice to deliver the most far-reaching benefits. Our French nuclear expertise, for example, is already being used as a model for business in China.

### Industry-specific expertise

Every solution and area of expertise within Atos Worldgrid is specific to the energy and utility sectors. They span over a broad range of industry requirement, covering activities as diverse as specialist asset management for oil and gas installations to automated meter management. Activities which generated particular interest during 2011 include:

- **Oilfield monitoring and optimization** - creating a comprehensive digital dashboard of all upstream operations, enabling resources to be deployed effectively and ensuring that pre-emptive action is always the preferred option.
- **Instrumentation and control for nuclear** - every French nuclear power station uses Atos systems. Long-term management and absolute focus on minimized risk are embedded in our approach. We have supported operation for thirty years, in some instances.
- **Smart Metering and Smart Grid** - Atos solutions cover both commercialization and operation. Most importantly, our designs are completely vendor and hardware independent, giving utility companies a business and operational foundation which is sustainable in the long term.
- **eCar and eMobility Solutions** - the success of switching to electric vehicles, for both fleet and private ownership, hinges on the quality of infrastructure. Atos is at the forefront of these developments, with the Siemens alliance adding another dimension to its expertise in on-board and charging systems.

#### B.3.2.6 Siemens: our first customer

In terms of scale, the core IT services contract between Atos and Siemens is one of the largest long-term IT contracts ever signed. Atos is contracted to Siemens as an IT service provider in a 7 year EUR 5.5 billion deal.

As Atos' largest customer, this contract with Siemens has strategic importance due to its global nature, broad scope of services and as a basis for the broader relationship between the two companies.

Atos has assigned a dedicated team to manage the relationship and service delivery for Siemens to ensure that:

- Atos delivers a high quality of services for Siemens with continuous improvement,
- Atos and Siemens jointly engage on areas of innovation,
- The experience of delivering IT services to one of the world's leading industrial enterprises contributes to best practice within Atos.

There is also a strong emphasis on the need to establish and sustain an effective global service strategy. Atos and Siemens are jointly committed to building a relationship based on trust, high-quality services, continuous improvement and value-creating innovation.

#### Broad Service Portfolio

Every one of Atos' four service lines also has embedded Siemens representation. This is particularly important in meeting Siemens' desire for continuous innovation: as new ideas and developments are formed, they can be shared and assessed with the appropriate experts from:

- Consulting & Technology Services
- Systems Integration
- Managed Services
- Hi-Tech Transactional Services and Specified Businesses.

Some of the major elements of the IT services scope include:

- Global management of infrastructure services including end-user computing, data centers, local area network and voice services for more than 200,000 users, supported by a network of global delivery centers,
- Global application management for key back-office systems,
- Engagement in development and support of Siemens sector back-office and business-critical applications.

#### 2011 Achievements

The relationship between Siemens and Atos became high profile news in 2011, and in the second half of the year, the combined account teams took full advantage of this momentum to drive progress.

Joint governance models were refined and adopted, to ensure consistency and transparency of worldwide service delivery. As this is a commercial partnership, it is essential that at all times Atos can demonstrate that its service provision to Siemens remains competitive and compelling by open market standards.

The team also launched a smart-phone based mobility service, as part of Siemens Working Environment of the Future Program, to enable 5,000 Siemens employees with secure access to collaboration tools, on the move.

#### Looking Ahead

Historically, Siemens has contracted many IT services at a local level. In order to avoid unwanted complexity and lack of consistency, moving forward, the teams will place special emphasis on the need to establish consistency of method and service quality across the global enterprise - but without compromising local responsiveness.

Siemens is naturally active in all emerging markets, and Atos will work alongside them to ensure that in all developments, business information systems and IT service can be managed with agility and consistency. Asia, Latin America and the Middle East are the immediate areas of opportunity.

Atos will continue to work in close partnership on the Working Environment of the Future (WEOF) program, seeking to bring the full benefits of its own Adaptive Workplace investments, in time, to the 420,000 members of the Siemens workforce around the globe.

Further Atos services will be introduced around topics such as Testing and Acceptance Management, and Information Security and Risk Management.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

#### B.3.2.7 Strategic Sales Engagement

Companies have always been trying to manage their IT Budget while simultaneously gaining flexibility and innovation. Due to the financial crisis they must control their IT Budget even more than ever. Whereas in the past cost reductions were achieved by industrialization, standardization, and by using a mix of near-shore and off-shore resources, today there is also today an increasing focus, also on innovation, virtualization and automation topics such as Cloud Computing or Atos' Virtual Desktop Initiative, Workplace of the Future themes, etc. Many of these require flexibility on demand or, at the least, "Pay as you use" business model providing high flexibility for the customers if their volumes are moving.

Therefore, today's large projects, even if they come in more phases or segments than in the past, are more complex in terms of the required technical and commercial solution, more global, more strategic and long-term oriented. Instead of having one partner per country or region, very often customers now require one or two partners servicing all of the customers' geographies. In some cases the customer even requires service that is universally available, regardless of geographical presence of the respective service provider. The successful partner needs to fit well into the customers' Eco System, his global stretch and different local cultures. The success of today's large deals is measured by its direct added value for the customer's operations and its associated costs. However, this also requires changes at the customer level as he must implement a professional Demand Organization to manage multi service partners in several geographies.

Thus, large, multi-country or even global deals represent a high level of complexity for which a dedicated team of internationally proven experts is required. Atos, being one of the leading innovative IT Services providers, has got the answers.

#### What's new in Strategic Sales Engagement at Atos?

By acquiring Siemens IT Solutions and Services (SIS) the new Atos became a leading European based IT Services Company. With the clear view, that growth will, amongst others, be generated by winning new logos and pursuing larger, multinational or global deals, Atos established a new unit called "Strategic Sales Engagements" (SSE). SSE is split into:

- local SSE units within the larger Atos' GBUs to focus on the large deals predominantly within the GBU,

- a global SSE unit to focus on even larger, multi-country, multi-geography deals.

Bid Teams are staffed from a mix of multicultural SSE resources such as:

- Deal Developers / Makers (Customer focus; Strategy Development, Relationship Manager and overall coordination),
- Bid Directors (Pursuit Project Management, Strategy Execution, Bid Budget Development and Controlling as well as end to end Management of the entire bid team),
- Financial Architects (designing innovative, commercially attractive and tax proven financial models, etc.).

Other important GSSE roles in the bud phase are:

- Strategy Consultants (shaping the fit of Atos' USPs to the customers' strategic and operative requirements, developing partnership and M&A models, etc.)
- Outsourcing Advisors (Business Development, Benchmarking, etc.) and Business Consultants (setting and facilitating strategy workshops, etc.),
- Also include experts from GBUs and Global Service Lines such as Solution Design Architects, Transition and Transformation Managers: Subject Matter Experts, like HR, Legal, M&A, or Tax.

The deals in focus are covering all geographies and all Service Lines of Atos.

#### Atos ambitions

Atos' ambition is to reap a significant share of the large deal market by leveraging its size and expertise and successfully selling Atos' horizontal and vertical portfolios to current and new, large, international customers.

#### B.3.2.8 Atos Siemens alliance

From the moment that Atos Origin and Siemens began to discuss the possibility of combining their IT solutions and services resources as the new Atos, the opportunities presented through ongoing commercial and technological collaboration between Atos and Siemens were high on the agenda.

This laid the ground for a strong strategic partnership: the Atos Siemens Global Alliance, maximizing the combined strength of Siemens' products and solutions with Atos' foundation IT and innovative hi-tech transactional services.

It is important to note the anticipated weight of the hi-tech transactional services in Alliance business development. The ability to process massive quantities of complex payment and CRM transactions, increasingly in hybrid fixed and mobile environments, equips the Alliance with a genuinely differentiating capability.

When the new Atos was launched on July 1<sup>st</sup> 2011, a combined business development team was established for the Alliance. Ensuring both teams are represented at the highest level, the Alliance leaders from both Atos and Siemens are part of the Senior Management of each Group, and on the Atos side, part as well of the Group Executive Committee. The Alliance team has been active in identifying those areas in which a joint business approach promises to create additional value for both of our own companies, and in domains we already serve today how to best combine the assets of both groups in compelling propositions for our customers.

Siemens and Atos jointly set quantitative targets for business to be generated by the Alliance by 2016. Further tangible indications of this commitment include:

- Atos participating in Siemens One, the Siemens go-to-market framework for large scale accounts.
- Both companies contributing an equal share to a new EUR 100 million research and development initiative. This focuses on generating new joint solutions, emphasizing innovation and opportunities for shared value creation.

#### The Alliance is Operational

The Alliance is formally constituted, with dedicated teams from both groups, clear governance structures with active involvement at the most senior level of management, and a network of managers in the geographies of the group locally responsible to develop joint initiatives and opportunities between Atos and Siemens.

As a token towards the strategic importance of the Alliance to both companies, Atos was invited to participate in the Siemens One organization, responsible for developing strong positions and joint go-to-markets through the collaboration of all relevant Siemens operational entities towards identified target market sectors. Atos has operationally joined eleven of Siemens' Market Development Boards ensuring alignment between the organizations, active collaboration with Siemens' Key Account Managers and facilitating local collaboration between Siemens and Atos at country level.

Regarding the Collaboration Areas, joint teams are teams active in a number of domains in all relevant industry sectors:

- Industry and Manufacturing with a focus on Product Lifecycle Management, Manufacturing Execution Systems
- Energy
- Healthcare with a focus on cloud based solutions
- Transport, with a focus among others on Road Transport and around electric car related topics.
- Infrastructure, with a focus among others around Airports and Data Centers.

In regards to the joint investment projects the first projects have already been approved and are now in execution.

Thus, during 2011, Atos and Siemens formally established the Alliance and set objectives. Dedicated senior and high potential resources were allocated and frequent and direct involvement of the senior management of both companies kept the Alliance high on the agenda delivering already first concrete collaboration steps and a growing funnel of joint customer opportunities.

#### Looking ahead: focus on execution

2012 is expected to be the first year of execution. The Atos Siemens Global Alliance teams will focus on delivering the approved joint investment projects and bringing them to market for the first customers, and expects to close the joint customer opportunities already identified in the collaboration areas or generated through local interactions.



## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

#### B.3.3

#### Delivery Lines

##### B.3.3.1 Managed Services

###### Managed Services overview

Atos specializes in managing and transforming the IT operations of its clients and is ranked in the top three in the European market and in the top six globally. Managed Services represents around EUR 4 billion and has 27500 staff worldwide in 48 countries. We are one of the few companies that can provide all the 'design, build, and operate' elements of a complete outsourcing solution providing the management and transformation of end-to-end and joined-up workplace, infrastructure, application, security and Cloud Services.

The main revenues of Managed Services come from Infrastructure and Cloud services, Workplace solutions, Application operation, Network and Communication, and Mainframe and are broken down as follows:

- 47% - Data Centre, Managed Infrastructure and Cloud services
- 30% - Workplace Services including service desk
- 12% - Application operations
- 11% - Network and Communication services.

From a market perspective, 42% come from Manufacturing, Retail and Services. The following markets make up 18% each: Financial Services Public, Health & Transportation, and Telecoms, Media & Technology.

###### Benefits of Siemens IT Solutions and Services for Managed Services

The acquisition of Siemens IT Solutions and Services and the Siemens partnership was the logical continuation of the Atos strategy and immediately brought some considerable benefits which can be seen through five dimensions.

- **Enhancement of Portfolio:** The new Atos Managed Services Portfolio was developed using the 'best of both worlds' which will enable the company to provide our Managed Services clients with an industry leading portfolio of cost effective and innovative services that are delivered in an industrialized manner, enabling them to focus on meeting their current and future business challenges.
- **Scale in business mix & coverage:** Atos now has a stronger presence in many more geographical areas. These include the Nordic countries, Central Europe,

North America and others. Siemens IT Solutions and Services acquisition has also made Atos gain credibility which will enable the company to address large opportunities but also to attract new clients. Atos has now a large account credibility in the market for mega deals.

- **Large deal capabilities:** The Atos team is staffed with the right mix of Tier-1 expertise from the market. This team is fully operational and in motion. This is a key strength that Atos get thanks to Siemens IT Solutions and Services acquisition, and which is crucial for enabling the Group to grow its business.
- **Revenue resilience for next 3 years:** The Siemens IT Solutions and Services acquisition brought Atos revenue resilience in Managed Services. The top three Siemens IT Solutions and Services contracts in Managed Services represent 24 per cent of the Service Line revenue.
- **Scale in Global Delivery:** The Siemens IT Solutions and Services acquisition gives Atos scale, making Atos double the number of its offshore locations and reviewing the people distribution around the world so it can better serve its customers.

**On July 1<sup>st</sup>, 2011, Atos also signed a deal with Siemens** representing circa EUR 3 billion for Managed Services during seven years. This deal includes the delivery of ITO services for the Siemens Group. The initial scope covered exclusivity of infrastructures services, mostly in Europe and North America, and a data center part in Latin America.

At the beginning of 2012 and after running for more than six months the outsourcing contract previously issued by SIS, the parties met to develop a plan in order to improve the quality of services previously provided. This plan called "Get Well Plan" was signed by Atos and Siemens on April 1<sup>st</sup>, 2012, aiming to improve on the year 2012 the quality of services previously delivered.

Atos now has a solid large deal capability. The contracts size proves it. Atos is actually managing more than 300,000 users and 9000 servers concentrated in 6 data centers across the globe. Atos is providing the full ITO portfolio of services in all the countries where Siemens is active.

The two companies are now working together in joint innovation projects and solutions, such as conceiving the working environment of the future or uses of smart



phones and various mobility solutions, taking into account compliance and security.

#### Atos Cloud services

Atos aims to become the European Leaders in private Cloud infrastructure and will therefore continue to make substantial investments in order to achieve this goal. To accelerate development progress, the Cloud organization is being managed as a 'start up' which is improving focus, increasing agility and flexibility and rapidly delivering exciting new innovations both to our current and new customers.

The Cloud Services are based on a solid track record in supplying and integrating Cloud and utility based services (dedicated, private, and/or shared) and as such Atos already delivers more than EUR 200 million in revenues from Cloud solutions on a yearly basis. This is in line with the Gartner prediction that, as of 2011, companies would be deriving more than 5 per cent of their revenues from Cloud solutions. Therefore, the ambition for our cloud services is to achieve revenues of over 1B EUR in 2015.

Providing both global and local capabilities complemented by our strong market expertise, Managed Services will be providing infrastructure, platform and software services all 'as a service'. Atos will develop new partnerships with SAAS and PAAS players in the market, and has recently signed such a partnership with Microsoft in France.

In this context, Atos signed a global partnership in February 2012 with the Cloud specialists EMC (data storage) and VMware (virtualization) to create a company controlled by Atos.

#### Data center and managed infrastructure capabilities

The acquisition of Siemens IT Solutions and Services has resulted in a total of more than 80 data centers and more than 100 data rooms of varying sizes and qualities coming from Atos Origin and Siemens IT Solutions and Services providing over 93,000 SQ meters Data Center space.

Early in 2011, before the deal closing, Atos has identified the future data centers for the Group and 13 locations around the globe have been chosen to concentrate the main investments. In addition, in order to sustain growth and consolidate operations in these locations, Atos aims to close 40-50 locations in the next few years in order to reduce its costs by around 12 per cent.

The Green Cloud, Atos' new concept where the company offset the carbon footprint of its customers in its data management, is now introduced. This project underscores Atos commitment to sustainability and evidence of this can be found with Atos opening a new data center in Helsinki, called eco-efficient. For the cooling of the data center, Atos is leveraging the cold sea water and using the heat generated by the data center for heating the equivalent of 2,000 homes in the neighborhood.

From these energy efficient global Data Center's Atos has a strong track record of providing managed infrastructure services with a full range of end-to-end SLA backed infrastructure services including: server, storage, mainframe, network and Cloud portfolio. Considerable capability globally includes 105,000 managed server instances (74,000 managed physical servers), 39,500 MIPS, 86,000 terabytes storage and 5,890 Computing on Demand, Cloud instances. The Group priorities are simple and they include meeting Tier-1 profitability by 2013.

#### Workplace and Service Desk capabilities

The Adaptive Workplace provides modular and innovative workplace and service desk services, based on extensive, proven experience in all industry sectors. The acquisition of Siemens IT Solutions and Services has increased the number of seats managed by Atos considerably from 800,000 (standalone Atos Origin) to 2.4m today.

With 10 global services desks operating as one virtual global delivery unit complemented by 39 local serviced desks handling in excess of 45m tickets annually in 39 languages, combined with onsite support capability in 149 countries, Atos has a true global footprint. The global service desk organization has a total headcount of 6,650. The largest locations include the Philippines (1,100 personnel), Morocco (600) and Poland (540). The breadth of Adaptive Workplace services cover key areas of growth such as virtualization of the desktop, provided from our private cloud, incorporating the management of mobile devices (tablets and smartphones) and services that enable enterprise customers to benefit from solutions such as "bring your own device" and corporate file sharing. For end users "one size fits all" is no longer applicable consequently, Atos offers a flexible desktop service where the user can work anytime, anywhere with any device.

Focus for the future is on the release of new SaaS based workplace offerings including Office 365, A3C (Atos Communication & Collaboration Cloud from Atos private cloud) and social collaboration solutions, all reducing costs and increasing agility and mobility of end users,

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

whilst opening the door to Zero email™. Enabling the new way of working within a user centric, creative enterprise environment is central to the future direction for Atos. This will be supported by continued optimization and enhancement of our offshore capabilities and investment in automation, coupled with a reduced carbon footprint, through initiatives such as bringing desktops into the data center.

Gartner recognizes our stature as a company that understands the future needs of the enterprise end user, positioning us firmly in its 2011 "leader quadrant" for European desktop outsourcing and stated "Atos has a sound and thorough understanding of the future needs of end-user organizations and a clear vision of the direction of the market."

The acquisition of Siemens IT Solutions and Services now gives Atos the platform to truly compete on a global scale, given the Siemens IT Solutions and Services leaders position in the 2011 Magic Quadrant for Service Desk in North America, complimenting the position attained in Europe.

#### Application Operations capabilities

Following the acquisition of Siemens IT Solutions and Services, Atos now manages over 500,000 SAP business users, more than 5,000 SAP instances and 5,000 managed business application instances (1.5 million users).

Application Operations offers a key differentiator for Managed Services focusing on application availability and offers a compelling alternative to the in-house operation and support of the IT infrastructure with a flexible end to end, business outcomes approach to meeting our customer's application requirements.

Key developments in this domain going forward will be expanding the cloud based offerings, offering high end, plus high performance vertical sector solutions and providing services to emerging and fast growing economies.

#### Network and Communication capabilities

Network and communication services provide our customers with the essential connectivity services to provide fully managed network, voice and communications services in and out of the cloud. We provide global, standard, repeatable and innovative services to meet the high expectations of a dynamic mobile, global workforce.

Our evidence of scale is proven by facts such as managing the world largest Microsoft unified

communications installation for a single client with 360,000+ seats, and have WAN MPLS reaching to 120+ countries via our network partners. With over 1 million LAN ports, 500,000 PBX/PABX lines, 42,000 switches, 17,000 wireless access points, 13,000 contact center seats, 10,000 routers managed globally and filtering for 146,000 email mailboxes.

Going forward Atos will be focusing on increasing its already considerable capabilities for intelligent networking, mobility, unified communications, Cloud computing and video.

Gartner recognizes Atos new strengths in this sector, positioning us from "niche player" to the "challenger quadrant" in 2011 for communication outsourcing worldwide.

#### Identity Security and Risk management capabilities

With the offering of a comprehensive Identity, Security and Risk Management (ISRM) services portfolio Atos helps its customers to cut through the complexity of security and compliance issues. Atos ensures that the related customer investments are aligned with the value in their business. Atos helps its customers to Transform Risk into Value.

We have depth - Atos offers a combined portfolio of market proven "in house" and "partner provided" security products and services, with over 20 active risk management and product patents. We demonstrate our depth of expertise every day with our services, solutions and our Cyber Security R&D centers.

- **We have scale:** Atos has over 800 dedicated security and risk management consultants and engineers worldwide. We provide security and risk management services for some of the world's largest organizations.
- **We see things differently:** Atos sees that top performing organizations are risk takers but what really separates them from the pack is their ability to drive positive outcomes from the risks they take. We believe that by viewing digital security, regulatory compliance and business governance through a single lens we can help our customers to manage their risks better, enabling them to take more opportunities and generate more positive outcomes. In the 2011 Marketscope on Managed Security Service Providers in EMEA Gartner rated Atos as 'Positive' for the third year in a row. One of the highlighted strengths is Atos' experience in integrating security services with complex, large-scale IT programs.

#### B.3.3.2 Systems Integration

The acquisition of Siemens IT Solutions & Services in July 2011 has positioned Atos as an indisputable leader in the Systems Integration arena, in particular in the European IT market. The new Atos Systems Integration comes from the merger of SIS Solutions and Application Management units together with Atos Origin Systems Integration, excluding the Professional Services business which has been transferred to Consulting & Technology Services. The resulting entity purely focuses on fixed price project work and application management activities. It represents yearly revenues of about EUR 2.3 billion, counts more than 22,000 business technologists worldwide, of which more than 6,700 are based in five offshore countries and deliver value through 42 globally integrated and industrialized offerings. Including the application development professionals from other service lines (Technology Services), the new Atos can rely on and mobilize an application engineering pool of more than 30,000 professionals for its clients.

#### Mission

Atos Systems Integration (SI) mission is to help customer organization - private enterprise or public administration – to leverage Information Technology (IT) in the best possible way in order to improve the performance of their organization in terms of productivity, growth and sustainability. Atos Systems Integration teams know customer business challenges and processes by industry and understand how technology can boost performance. They design, build, deploy and operate information systems which then deliver business improvement.

To execute its mission, Atos SI has built its strategy on three main pillars:

- **Customers:** a market-driven approach by customer industry, so that we design, build and run IT solutions which specifically meet customer needs. For instance, in the telecommunication industry, we design, build and run billing and Customer Relationship Management (CRM) systems which allow customer to reduce the cost of their IT systems per user while delivering value in terms of flexibility and quality; in manufacturing, we understand how to deliver Product Lifecycle Management (PLM) information systems which allow customers to maximize value through integration with their ERP and Manufacturing Execution Systems (MES) processes.
- **Portfolio of services:** a global portfolio of 42 offerings either vertical (by market segment: Public, Health & Transport; Financial Services; Manufacturing, Retail &

Services; Energy & Utilities; Telecom, Media & Technology) or horizontal (by global functions such as Finance, Human Resources, Administration) so that Atos SI teams are able to re-use and leverage best solutions, practices and expertise globally. The value delivered to customers is compounded through flexible delivery models in order to adapt in the best possible way to customer needs: fixed price projects, Unit of Work, consulting and point expertise on a time and material basis.

- **People:** a focus on developing the skills of our professionals so that they are able to deliver the best of Atos value to customers. Each employee belongs both to a geography and a global practice so that he or she brings to customers the value of proximity as well as the capacity to leverage the best experts, tools and processes developed by Atos at global level.

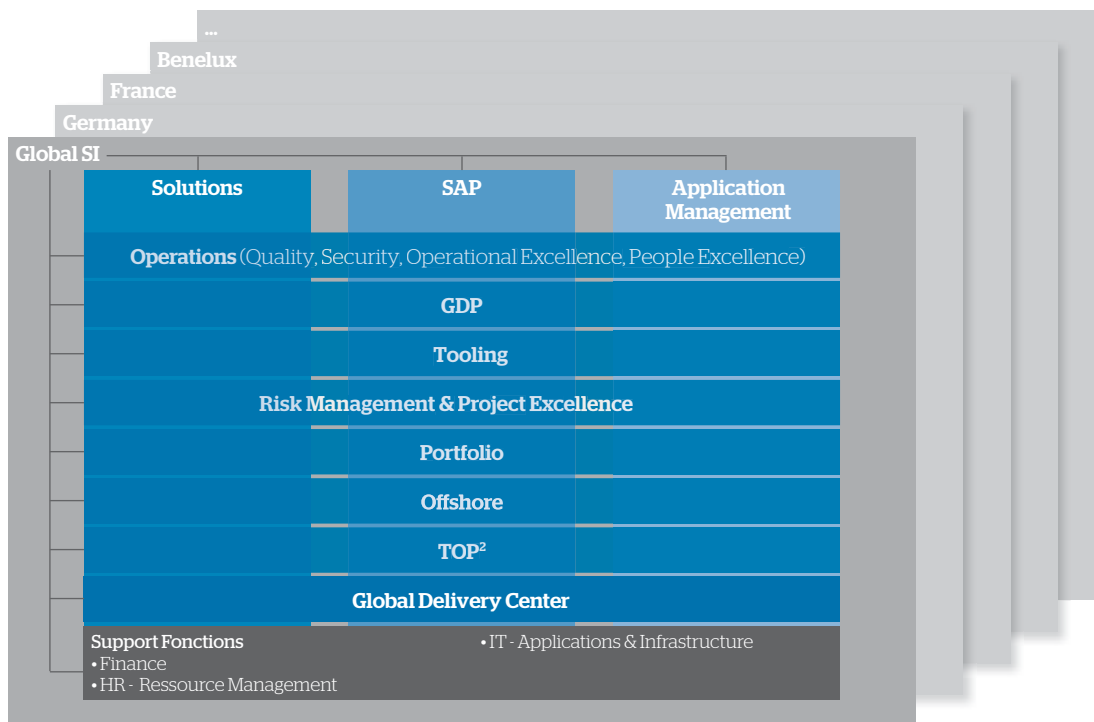
#### Organization

Atos Systems Integration has reorganized itself around four components:

- The global practices – Solutions (project business), SAP (SAP projects) and Application Management – which own the **SI offerings** globally
- The global processes which ensure the quality, consistency and cost effectiveness of delivery globally
- The Global Delivery Center (offshore) which deliver standardized and industrialized application development and maintenance from low cost locations
- The geographic SI organizations which deliver application development and maintenance services to customer leveraging the other three constituencies.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery



In each global practice, projects are categorized by vertical (Public, Health & Transport; Financial Services; Manufacturing, Retail & Services; Energy & Utilities; Telecom, Media & Technology) in order to better fit to customers' specific requirements.

This global organization is mirrored in all GBUs, countries and offshore centers in order to ensure overall sustainable quality, standardization and global team work to maximize value delivered to customers.

#### Solutions

The Solutions Global Practice delivers projects (design, build and deploy) by leveraging proven technological competence and vertical specific expertise to generate sustainable customer value. Its specialized Global Competence Centers ensure a high level quality of delivery worldwide.

Solutions' portfolio contains 17 vertical solutions, to approach Atos customers with testified, innovative and replicable business solutions, and 11 horizontal solutions, to address transversal issues common to most of our customers whatever their industry.

#### • Vertical Solutions:

- Public Sector, Healthcare & Transport: Public Administration Solutions, Social Security Solutions, Transport and Logistics Solutions, Healthcare Solutions
- Financial Services: Banking Solutions, Insurance Solutions, Information Security and Compliance
- Manufacturing, Retail & Services: Integrated manufacturing excellence, Track and Trace Solutions, Product Lifecycle Management
- Energy & Utilities: Enterprise Asset Management, Oil and Gas Solutions
- Telecom, Media & Technology: BSS Solutions, OSS Solutions, Next Generation Intelligent Networks, Mobile Virtual Network Operator, Digital Library - Media Asset Management

#### Horizontal Solutions:

- Business Process Solutions: Business Intelligence and Data Information Management (BI&DIM), Customer Relationship Management (CRM), Financials and Accounting, Human Resources (HR)
- Business Integration Solutions: Cloud Solutions, Enterprise Process Integration (EPI), Enterprise Content Management (ECM), IT Security and Risk Management,

Smart Mobility Solutions, Embedded Software Solutions, Test and Acceptance Management (TAM).

#### SAP

By bringing together two strong players in the SAP market, Atos Origin and Siemens IT Solutions and Services, Atos has become one of the largest SAP service providers in the world and can now rely on a pool of more than 9,700 business technologists worldwide to support around 900,000 SAP end-users.

The Atos SAP portfolio deals with core business needs in key sectors:

- SAP for financial services - enables banks and insurers to get back onto the growth path. The Atos approach helps improving customer value, reducing transaction costs, improving analytical intelligence, targeting more accurately and getting to market faster.
- SAP for energy and utilities - helps businesses competing in a dynamic market. Atos SAP solutions help improve customer service, boost sales, make unbundling easier, ensure effective collections and reduce resources spent on core processes.
- SAP for manufacturing, retail and services - uses Product Lifecycle Management (PLM) leadership and manufacturing know-how to deliver comprehensive improvement to operational efficiency and quality from factories and supply chain to point-of-sale.
- SAP for government, health and transport - delivers best practice to drive efficiency while reducing costs across healthcare, defense logistics, taxation management and other areas.

The Atos SAP portfolio also deals with core business process solutions:

- SAP for Business Intelligence - provides cross-industry support to decision-makers in all core areas: finance, logistics and supply chain, information management and enterprise performance optimization.
- SAP for Consolidation and Harmonization - a unique solution which helps organizations to rationalize their SAP environments by consolidating applications and then harmonizing their business processes. It comprises five key components: consolidation and harmonization strategy and architecture, template design and build, global roll-out, learning solutions and compliance intelligence.
- SAP for Sustainability and Compliance (S&C) - brings tangible business benefits to customers from a sustainable approach to business (Sustainable Manufacturing, Sustainability Performance Management), as well as cost savings (and risk reduction)

by improving compliance management systems in the manufacturing space (Product Compliance Pack).

- SAP flexible solutions - enables Atos to provide solutions that address client needs while avoiding the need to build customized processes from scratch. By using flexible and modular components, Atos can deliver all the aspects of clients' own practices that differ substantially from standard SAP practices.
- SAP application management and hosting - manages customers' complete SAP environment. Atos hosts, optimizes, updates and delivers enhancements to every instance and every seat across the organization.

Atos focuses on providing end-to-end SAP solutions ("consult, design, build, operate, maintain") around customers' business needs, concentrating on six key outcomes: cost control, change, people, speed, sustainability and compliance. Atos SAP delivers all the functionality that customers need through enhanced templates and unique best practices processes, supported by customized extensions, backed by proven training and testing capability and supplied either on-premise or on-demand (as Software-as-a-Service).

In 2012, Atos will further develop its competences in the SAP enabling technologies such as HANA, Mobility and the Cloud.

During SAPPHERE NOW on December 8<sup>th</sup> 2011, Atos won the "SAP Mobility Showcase Award for SAP Partners" for its iPad application based on SAP's premium solution for Environment, Health & Safety, and received the Gold SAP Quality Award in Europe, Middle East, and Africa for its contribution of the New Business Application Implementation at Sabena Technics.

#### Application Management

Atos is a key player in the Application Management arena: over 900,000 business application users around the world rely on Atos every day. Atos AM services are delivered through Atos SureSource distributed model which ensure a common set of standardized methods and procedures, as well as proven collaboration tools are used across the globe to provide a high level quality at the best price to the customers.

The AM Practice uses a progressive value generation transformation model bringing the customer from its current operating model to future modes of operations through a succession of stages:

- A secure transition
- An operational transformation
- A transformation stage 1: Total cost of ownership reduction through Application Rationalization

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

- A transformation stage 2: Business Performance improvement through Application Management.

The Atos layered approach relies on the AM business enabling offerings:

- AM Consolidation - helps customers to re-orientate their investment towards value-adding innovation, to consolidate their vendors in the objective of reducing coordination efforts and exploit economies of scale, to best fit delivery, balancing onshore, nearshore and offshore obtaining cost advantages, as well as scalability and to increase their operational performance through process automation.
- Transformational AM - allows customers to access to new technology skills and best-of-breed partners that are responsive and agile, supporting and enabling business change, to realize the benefits of their investments in technologies that enable new business models, and to develop application roadmaps where innovation initiatives are integrated and best practices in the specific market industries are leveraged.
- AM Cloud Transformation - tailored to companies seeking new models to manage an application ecosystem out of proprietary and packaged applications interacting with cloud based services, as well as service provision assurance, end-to-end process monitoring, process performance management, flexible billing options.
- AM Consulting - a set of services to identify the cost, quality and performance optimizations levers that could maximize customers' productive use of their applications and determine the drivers that could release the full value of their application estate through ongoing transformation and innovation.

- AM Core Services, such as incident resolution, problem resolution, change management, test & acceptance management

#### Cloud Strategy for Systems Integration

Atos Systems Integration contributes to making Atos one of the major Cloud providers. It has the mission to make its customers take advantage of the technology disruption that the Cloud represents, by transforming their IT and their value chain.

Atos SI is acting as a Cloud integrator, a Cloud platform provider and a composite Cloud service provider through an "on-the-shelf" portfolio of offerings, as shown in the picture (on the next page).

Build and Run Solutions Provider	Cloud Integrator	Transformation to Cloud	Consulting offering to start the transformational journey into the Cloud
		Develop & Migrate	Framework for Microsoft and Java developers to enable Cloud deployment and Legacy integration & migration
		Integrate	Security, Identity Management, Orchestration
	Cloud Platform Provider	Test and Development Cloud	Automated test and software development tools
		Test and Acceptance Cloud	Rational tool set on-demand for our customers
		Process Orchestration	Business Process Management and Orchestration Service
	Composite Cloud Service Provider	Identity, Access Management	Integrated IAM solutions protect IPR, assets, processes and people
		Archiving	Saperion as the standard platform for archiving
		Dynamic PLM Services	PLM on-demand solution + PLM Teamcenter on a dynamic Cloud infrastructure
		BI on demand	Cloud-based analytics offering
		CRM on demand	Full-featured cloud-based CRM system with higher access speed, convenient access, high availability for high number of users
		Data Cleansing as a service	Fast, secure and user-friendly way of improving the integrity of consumer or business data

**Globalization and Industrialization**

**Distributed Delivery**

In 2011, Atos Systems Integration has further enhanced its distributed delivery model to better fit to its new organization and has deployed it to the ex-Siemens IT Solutions and Services SI scope. Atos SI distributed delivery model comprises of:

- An integrated, industrialized set of end-to-end processes and tools, named Global Delivery Platform (GDP) and that is globally deployed. GDP contains technical libraries and manages service catalogues by type of service or technology.
- A centrally hosted Shared Service Center (SSC) that provides a comprehensive set of tools to all SI employees. The integration of these tools enables them to follow delivery processes, from business requirements to design and build of the software in a controlled and efficient manner regardless of where a specific part of the process is executed.

**Industrialization**

The implementation of a global consistent organization across all GBUs, countries and offshore centers is a key enabler to the roll-out and management of common processes and operational frameworks. It facilitates the deployment of lean waves, the measurement of key metrics in a similar way, the management of risks, the roll-out of global offerings and the delivery of international assignments while ensuring an overall quality and a continuous performance improvement.

**Global Sourcing**

In 2011, Atos Systems Integration has strongly increased its nearshore and offshore presence, with a workforce close to 7,000:

- The headcount reached a total of more than 250 in Morocco.
- Indian operations have now reached 5,500 staff in the following five locations: Mumbai, Pune, Bangalore, Kolkata and Delhi.



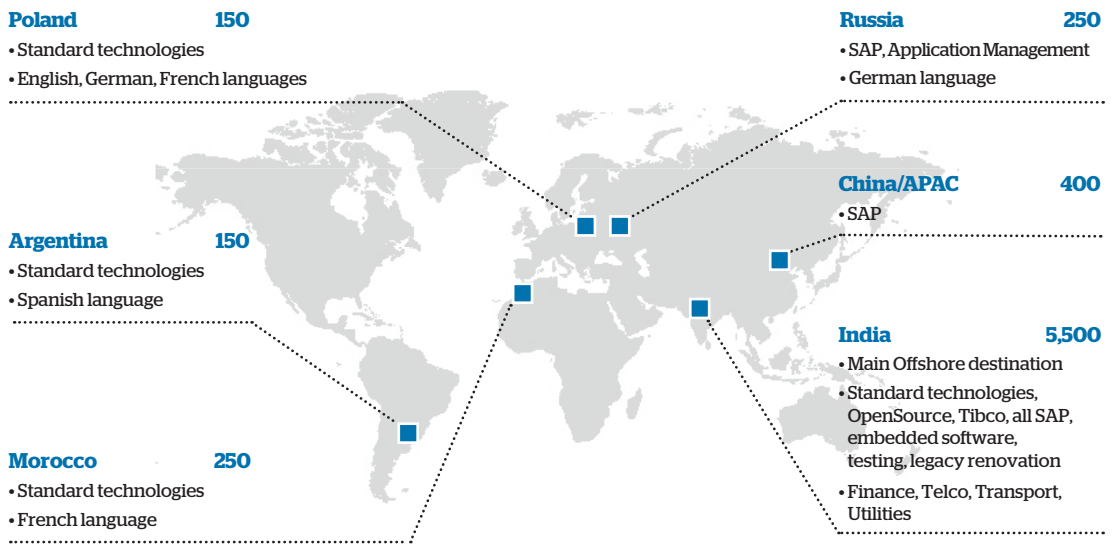
## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

- The Argentinian offshore center created in 2010 to notably serve Spanish speaking countries and the United States now counts 150 employees.
- 400 employees deliver offshore services from Asia Pacific

- Through the acquisition of Siemens IT Solutions & Services, Atos SI has inherited two additional offshore centers, one in Poland (Wroclaw), with 150 employees, and the other in Russia (Voronezh), with 250 employees.

The map below shows Atos' nearshore and offshore Systems Integration capabilities:



Indicative SI Offshore Staff (in HC, July 2011)

By putting in place a global management system, global processes, global tooling, increasing the language coverage, enhancing the technology and functional competences in its offshore centers, and continuously benchmarking

externally their performance, Atos Systems Integration has now reached an offshore penetration rate of 30%, level that will keep increasing in the coming years.



**B.3.3.3 Hi-Tech Transactional Services & Specialized Businesses**

Overall, 2011 was a transforming year in the business enabling IT for the Group as decision was made to leverage the integration of new activities from Siemens IT Solutions and Services and the past strategy of the HTTS development model by creating on July 1<sup>st</sup> 2011 a new dedicated service line: HTTS & Specialized Businesses.

This new organization includes two Specialized Business Units Atos Worldline and Atos Worldgrid, and the business of the Group in the fields of Payments, e-Connectivity Services, Business Process Outsourcing (BPO), Smart Energy and Civil & National Security.

**Payments**

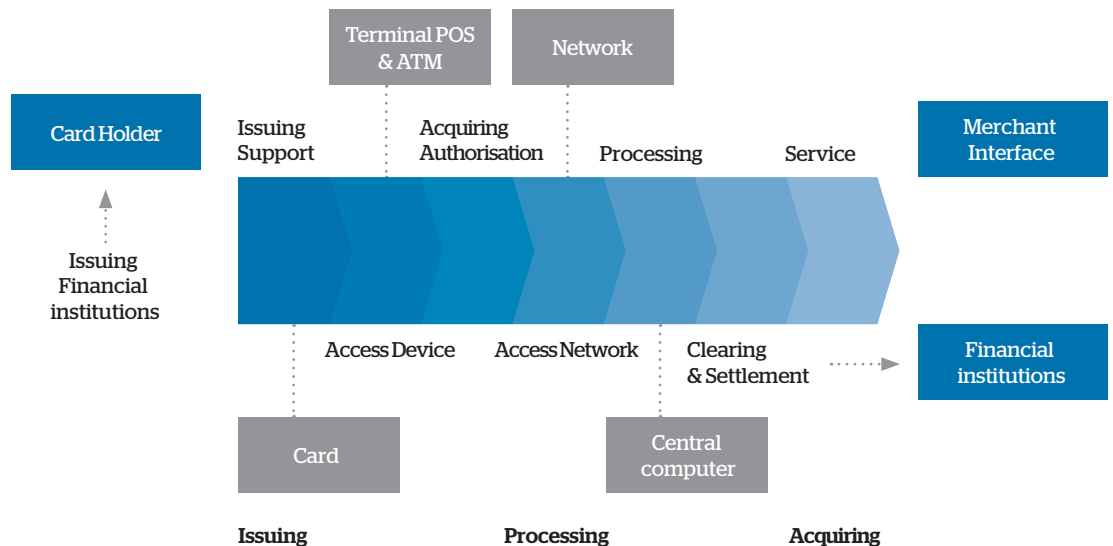
**Achievements in 2011**

Atos expanded in 2011 its European leadership with a global business strategy in payment, with the definition of

a global portfolio and the full integration inside Atos Worldline of Indian and APAC payment operations.

Further investments over 2011 in Atos' global payment portfolio have been launched:

- Provision of complete electronic payment solutions and processing services along the entire value chains acceptance, acquiring and issuing
- Implementation of new VAS Value Added Services to enrich the core processing and offer the clients to differentiate in the market;
- Innovation and integration of PoC Point of Contact (ATM, POS, Remote-Payment, Mobile Payment)
- Shared technical business models - support of clients out-and/or in-sourcing strategy;
- Shared commercial business models - Gain-share, price per transaction models.



Through these innovations, Atos enables and drives next generation of payment:

- PoC - Mobile device will become the dominant media
- "Physical" card payment will shift towards transactions generated by "virtual" cards
- New partner models will lead to new global offerings.

Atos innovation leads to build cross industry business models with extended supply chain, between merchants, financial institutions, telecommunication operators, global players. Examples of recent Innovation in Payments include:

- Amazon co-branding card with large German issuer bank - processing by Atos;
- M-Banxafe (Belgium) - SIM card banking app, supported by all banks & telco, 17 million transactions per year;
- Minitix a closed loop & multi-channel solution for low value transactions (Netherlands);
- Buyster in France - for which Atos Worldline developed and operates the platform;
- SIPS Mobile (remote payments) for SNCF in France.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

End-to-End Channel Management Benefits have been introduced by the Group, bringing strong advantages to its clients, in several areas such as:

- Contact centers, leading to 55% reduction in work load;
- email management solutions, enabling 60% productivity improvement;
- Telephony queries, increasing by 20% on up selling.

In 2011 volumes processed by Atos' Payments Services are based on a strong industrial and yet flexible production model:

- 22 billion Acquiring transactions
- 36 million Credit and debit Cards
- 470 million Remote payment
- 850,000 terminals.

#### Priorities for 2012

In 2012, increased focus will be put on new payments solutions and more value added services to diversify further from standard payment processing. This development will be achieved by leveraging the existing payment client based and the ability to integrate new features on our own platforms and solutions, as well as leveraging the new Group dimension, both in client base and geographic reach.

### e-CS: e- Connectivity Services for Customers, Citizens and Communities

#### Achievements in 2011

2011 has seen successful developments of major e-CS offerings: e-Commerce services for retailers, Automatic Speed Control in 3 countries, mobile services in all markets, secured messaging for banks and others. This class of services went above EUR 400 million of yearly turnover. Users going more and more to on-line services, this business benefited from growth of usage. New channels like smartphones bring volumes to connected services.

After the roll-out of on-line services for e-Commerce, e-Publishing, loyalty schemes and other business related services, IT is mature to support citizens relationship and e-Government initiatives: Automatic Traffic Control, Smart energy metering, Smart tolling to control CO<sub>2</sub> emissions, digitalization of government processes like tax collection. Connected services are now maturing, thanks to high-quality and high throughput networks available almost everywhere: connected vehicles, contactless ticketing and all mobile services. Consumer cloud and E-Health are other promising areas.

Volumes managed in 2011 by Atos's eCS are huge:

- 2.1 billion calls (IRV & contact centers);
- 1.6 billion SMS (Short Message Services), +60% growth compared to 2010;
- Over 1 billion eDocuments;
- 61 million email boxes.

Ecommerce has been rolled-out at international level for several retailers, including global players.

The offer of loyalty programs, has been rationalized to support both frequent flyers and frequent buyers programs, and after the European market, is now ready for Asian market, including China.

The offer of secured messaging, has been internationalized to support Asian market.

The eCS portfolio has been enriched with new assets coming from the merger with Siemens IT Solutions and Services, including Tax collection, medical prescriptions control and authorization delivery.

Sales teams are now ready in more than 15 countries to sell the HTTS offers by leveraging the current Atos customer base in the geographies where the Group operates.

#### Priorities for 2012

The e-CS growth will be supported by the strong portfolio of assets : high-added value business critical functionalities like Drive shops for retailers, e-Invoicing for Oil & Gas companies, Interactive Voice Response Servers and Virtual Call Centers for banks and telecommunication operators, mail platforms for them and secured ones for banks, Automatic Speed Control, smart ticketing solutions, Loyalty solutions for telecommunications operating companies and air transport companies, interactive kiosks for hospitality.

2012 efforts will be focused on expanding the key services into major countries in Europe, and emerging countries including Asia and Latin America. The target is to introduce 5 priorities offerings in at least 3 new countries.

New offers are also planned to be introduced to complement the developing activities:

- On top of connected vehicles and smart meters, other Machine-To-Machine based offerings like in e-Health area: medicine's follow-up, diseased or dependent people care;
- Implementation of a dedicated offering in the area of e-Health to follow patient files;
- A structured offer on Personal Medical File will be shaped in order to leverage on several initiatives, especially in Europe. Thanks to an authorization system of prescriptions built and operated in Argentina, a wide range services can be delivered by Atos;
- Based on the successful e-Commerce offering, several enhancements in the Mobile area will be proposed to retailers to broaden the provide users mobility services;
- Tolling systems to control traffic and especially CO<sup>2</sup> control.

#### Smart Energy

##### Achievements in 2011

**Organization:** Atos Worldgrid significantly increased its scope of specific solutions thanks to the SIS acquisition, in the retail area including Smart Metering. Atos Worldgrid expanded also its geographic scope, with Energy4U in Germany, a very strong SAP Center of Competence (IS-U, CRM, Consolidation and Harmonization...), coming from Siemens IT Solutions and Services.

**Products:** In 2011, we intensified our R&D efforts and we proactively developed new modules and new versions of our software products: ADACS for Nuclear and ASGS for Smart Metering and Smart Grid. Atos Worldgrid is a founding (and the only IT company) member of the Medgrid consortium, for the design of a post 2020 HVDC supergrid between Euro-Mediterranean countries. We also started joint R&D cooperation with Siemens.

##### Priorities for 2012

**Organization:** Atos Worldgrid is now part of the HTTS & Specialized Businesses entity, and a separated Specialized Business Unit (SBU), working in close relationships with the GBUs. To support our ambitions, we are putting in place two worldwide GBS-Global Business Services: Power Generation and Smart Grid in our Smart Energy organization.

**Products:** we will go on with our R&D roadmap. In 2012, we will push innovation: Atos Worldgrid will for instance become a member of the new G3-PLC Consortium, to promote this new OFDM-PLC technology. We are also taking over the IPR of Lynx DMS Product, from Gillam-SEI company. We will integrate this new offering in our portfolio.

**Projects:** Atos Worldgrid will have a strong push on existing and on new partnerships, to promote our ADACS product on refurbishment and new build nuclear worldwide market, and to promote our ASGS product for Smart Metering and Smart Grid.

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

#### Civil & National Security

##### Achievements in 2011

Atos, Civil and National Security provides answers to security related questions. The new security solutions in the area of defense and intelligence, and public security supports civil and national security agencies and administration in creating a secure world - for the good of all those living in it. After the creation of the core team in 2011 around current swiss operations, preparatory work was done for a more global organization as from January 1<sup>st</sup> 2012. The four former Siemens IT Solutions and Services competence centers located in Germany, Spain, Switzerland and Austria, will be bundled and managed within in HTTS & SB to leverage global growth in 2012. To make use of these synergies the Group now offers a comprehensive solution pack with six new key offerings:

- Situation Awareness: Delivering decision superiority in critical sectors scenarios and leveraging Networked Mission Control as well as full system integration. Clients include the Armed Forces and NATO.
- Intelligence Services: delivering superior intelligence quality and performance for intelligence agencies via Data Fusion and Correlation. Our Intelligence and Assessment system offers a single platform for all content and collaboration sources.
- Electronic Identification: delivering new standards of excellence in electronic identification and leveraging leading biometric and mobility capabilities. Clients include civil, national and international organizations.
- Border-Management: delivering swifter and more secure validation across land, sea and air borders. Extensive expertise perfected in European Union enlargement. Including e-Gates, smart matcher border surveillance solutions deploying radar and optical sensors.
- Professional Mobile Radio: delivering highly seamless and secure results to professional users, border control and federal police. Leveraging unique intellectual property on top of core networks and based on trusted TETRA and TETRAPOL standards.
- Emergency Management: delivering faster and more seamless response and recovery capabilities through mature solution sets in command and control, communication and complex technology integration for blue light organizations.

The new promising setup with bundling the Civil & National Security core competencies started in January 2012.

##### Priority for 2012

Atos will continue to enhance the support to the Civil and National Security customers. The company will focus its effort at aligning its portfolio with new solutions to enable

and optimize the collaboration between different security forces.

#### BPO: Business Process Outsourcing

##### Achievements in 2011

Following the integration of Siemens IT Solutions and Services, Atos now has one of the leading BPO business in the UK in its chosen markets. The combined headcount exceeds 4,500 staff with a significant proportion of offshore utilization with a dedicated BPO team in India. One of the key differentiators is that in both of the markets Atos manages the full end to end service with employees with specific technical expertise in banking and medicine. This enables the Group to add value via its domain expertise in addition to the traditional benefits associated with BPO.

Atos was rewarded thanks to its success in industry leading customer contact centers, mail handling and print operations and bookings and account management systems that are unique within its market. This ensures that the Group is able to offer improved efficiencies via its scalable operation to its existing and future clients.

In 2011 Atos signed an important medical contract for a new region in the UK. All of its contracts are long term annuity contracts and in 2011 the company managed to generate above GBP 200 million of additional total contract value.

##### Priority for 2012

In 2012, Atos plan to continue to further enhance and develop the capability in the UK, both in Medical and Finance. The Group will actively pursue appropriate opportunities in the added value BPO space across all of our markets and geographies.

#### B.3.3.4 Consulting & Technology Services

Atos Consulting & Technology Services (C&TS) is a new Service Line uniting two sub Service Lines:

- Consulting (Business consulting / IT consulting)
- Technology Services (previously Professional Services).

Consulting & Technology Services helps Atos play to its full strengths and make a significant impact on the market. The new service line contributes to business growth for our consulting and technology services activities, adds value to the other Service Lines, while helping to move Atos up-market, securing larger and more profitable engagements. The Consulting & Technology Services Service Line accounts for 7% of total Atos revenue and employs 7,500 skilled personnel in France, Benelux, Iberia, UK, Germany and Latin America (Brazil and Argentina).

##### Role of Consulting & Technology Services

Consulting & Technology Services is one of the innovation engines of the Atos Group. Its task is to translate business issues into sustainable growth and higher performance, by maximizing the potential of IT.

Consulting & Technology Services focuses on making change happen from diagnostics and design right through to long-term management and refresh. All of the skills and resources needed for an end to end service are brought together within the same service line, enabling speed, agility and responsiveness.

##### Business Positioning

Consulting & Technology Services are based on resources that are in close proximity to clients. This involves both business know-how and technology expertise, and covers the entire spectrum of activities from diagnosis, assessment & planning (stage 1), to build (stage 2) and then run (stage 3).

Because both consulting and technology services are contained within the same organization, there are no difficult hand-over points between development and execution: all stages are handled as part of a single, seamless process that also contains all aspects of training and managing change.

To give examples:

- Stage 1 covers diagnostic work and roadmaps; establishing clear business cases and building a transformation plan.
- In stage 2, a combined team of consulting and technology experts cover everything from redesign of processes,

applications and technology architecture to establishing new governance structures, measuring ROI and carrying out in-depth project management.

- At stage 3, Consulting & Technology Services will ensure that transformational change has bedded-down within the client's own business and is, if required, securely managed for the long term.

##### Business Consulting Portfolio

The Consulting & Technology Services value proposition is based on blending industry-sector expertise, process innovation expertise, technology expertise and Transformation acceleration expertise.

In order to ensure both a strong industry focus and leverage of knowledge on cross-industry issues, Business Consulting offerings are organized around Markets and Centers of Excellence. These Centers of Excellence focus on developing functional expertise across Markets, while Market teams develop industry-specific expertise and vertical offerings.

Services are targeted at all five of the Atos markets: Manufacturing, Retail & Services; Public, Health & Transports; Telecoms, Media & Technology; Energy & Utilities; and Financial Services.

Cross-market services include excellence in Sustainability; Finance & Accounting; Sales & Marketing; Human Resource Management; and Procurement.

##### IT Consulting Portfolio

Consulting & Technology Services aims to make IT a key success factor for C-level business decision-makers: in other words, to persuade them that IT is a business issue, first and foremost. All available research shows that top-performing business organizations are more likely to make IT a top strategy priority. We need to build strong relationships with companies of this kind and encourage others to move in this direction. In this way, it is possible to have top-level discussions that combine business strategy and IT execution.

Seven Technology Consulting offers have already been developed and are used today. The portfolio is divided into Advisory and Transformation services. Advisory services include CIO Advisory Support; Security & Risk Management; and Delivery Excellence. Transformation services cover Information Management;

## B. ATOS POSITIONING IN THE IT MARKET

### B.3. Sales and Delivery

Application Transformation; and Infrastructure Transformation. The seventh offer is Program & Change Management, which supports all of the rest.

#### Technology Services Portfolio

Technology Services connect seamlessly to Consulting, enabling the projects developed by consultants to be carried out rapidly and efficiently, either on client sites or very close to them. Proximity and Expertise are the two keys to success.

Our professionals are truly expert in their field, certified to the highest standards on key technologies and able to deliver the most projects to the highest standards. They also work in close proximity to clients, working as part of clients' own teams, collaborating closely with their personnel and trusted to deliver inside the client's own firewall.

This ability to bring outstanding levels of expertise and yet to be part of the in-house team enables Technology Services to achieve high levels of intimacy with the client, to be close, responsive and very fast-moving in both delivery and continuous improvement of the initial plans.

With thousands of experts working from regional offices very close to clients, we are also able to scale up and down at high speed and respond fast to changing needs. The Technology Services portfolio covers packaged offers and core delivery disciplines, including:

- Enterprise Content Management;
- Business Intelligence;
- Applications Development & Management;
- Business and Information Analysis & Testing;
- Infrastructure Upgrade & Development;
- Systems Integration;
- Project Management & IT Consulting.

## **B.4 Human Resources policy and talent development**

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### **B.4.1 Fundamentals**

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Give a sense to what your employee's do, love them and you will be "A" manager; engaging, motivating and making them happy in their daily life at work. This is not just an idealistic view of what the management should do...

It becomes a reality in the daily life of the Atos employees. To be able to make a difference, several programs have been implemented within Atos during the past year: we have now a Wellbeing@work council (a group composed of generation Y people) which contributes to bringing ideas to make the life better at work, for example: decreasing the number of emails each one receives daily; relieve the tiredness gained during transportation by facilitating Remote Working; they also work on spreading local initiatives regarding health at work within the group, they work on promoting charity involvement, they also encourage more diversity and equity among the staff.

We have a scientific community, which contributes to bring great ideas on new technology investments. A junior group community went to light of which role is to work on global projects, which bring them international exposure.

Listen to your people, have them participating to building the cathedral that you and they are dreaming about. All our employees are part of the Atos evolution, the Atos revolution, by encouraging other ways of working, thinking, participating and achieving business and personal goals. This is even more important when we had to integrate around 27,000 new employees, coming from a slightly different culture. The challenge has been to make them feel at home immediately.

This was even our greatest HR challenge in 2011.

As the European leader in IT services, with more than 74,000 employees and 42 nationalities, Atos is a people business. Our new profile provides expanded career opportunities for employees thanks to business size and diversity. Our growth ambition also requires continued development in expertise and entrepreneurship to help customers create innovation and acquire competitive advantage. For these reasons, Talents attraction, development and retention are at the top of the priority list of the Executive Committee and of all Atos managers.

### **B.4.2 Talent attraction**

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Over the past year there has been a shift in the way that companies have focused their recruitment approach: Atos is no different and has adjusted its strategy to meet a constantly changing candidate marketplace, with the demand for IT skills being very competitive even during the challenging economic downturn.

Over 2011, our focus on the recruitment of interns and graduates increased to not only identify and develop new talent, but also for us to promote Atos and help increase our brand awareness within this demographic - this has been supported by our IT Challenge competition across Universities globally. In 2011 the attraction of professionals has also been supported by the positive market coverage of the Siemens IT Solutions and Services acquisition and the 2012 London Olympics.

The Atos recruitment function itself has grown due to the Siemens IT Solutions and Services acquisition and our key

priority has been to reach a "Business as Usual" recruitment approach to ensure that we delivered innovative recruitment solutions to meet our business demand. The new teams received access to our e-Recruitment tool, supported by training on the system and the Atos processes. We focused on engaging with the new recruitment community, having weekly meetings with the entire global team to update them on the key priorities and lead Q&A sessions.

As with previous years, our e-Recruitment tool ensures Atos can offer all opportunities to our internal communities as we believe it is important for us to build out talent within before going to the external market. In 2011 we have delivered over 7,000 hires, which is around 10% of our new company headcount, and illustrates the effectiveness of the recruitment processes in place.

## B. ATOS POSITIONING IN THE IT MARKET

### B.4. Human Resources policy and talent development

There have been many programmes across 2011 with the key initiatives including: the rollout of a global induction programme to ensure that our new employees are effectively supported during their on-boarding in Atos; the implementation of a global agency framework to ensure consistency from our recruitment partners and reduced costs; and the creation of a social media strategy for 2011/12 so that Atos can leverage its new brand across both social

and professional networking media channels, to be rolled out in 2012.

2011 has been a year of positive change for Atos, and the recruitment team has successfully been able to adapt to the new company and meet the increased business recruitment demand - the new team are working collaboratively and are positioned to support the business going forward in 2012.

#### B.4.2.1 IT Challenge

IT Challenge is a competition looking for the IT talents of the future from 25 universities based in the UK, France, Germany, Spain, Netherlands and India. As business technologists who power progress, Atos is encouraging the next generation, to start coding, drafting, sketching and mocking up smart mobility apps in teams of between two and five people. Each member of the winning team will receive a once-in-a-lifetime opportunity.

The contest aims to foster and encourage innovation and will take place every two years to coincide with the Winter and Summer Olympic Games. The theme for the first Atos IT Challenge is smart mobility and it sets out to find a new, innovative and useful technology that can be used anywhere, anytime and on any device to add value to a business or an individual.

### B.4.3 Talent Development

We have built at Group level dedicated programs to ensure to meet the specific development needs of our talents. These programs include:

#### B.4.3.1 The Juniors Group

This program has been launched in second half of 2012. Juniors Group is the first stage of development on an international level. A self-contained group of junior, dynamic people from all over the Atos universe. Being a member of the Juniors Group is a learning experience through exchanges with senior management and colleagues, working in projects. A dedicated curriculum

has been designed especially for this group which include eLearning, eBooks, courses during meetings to boost learning experience. Once someone pass the assessment, he becomes a member of the Junior Group for 18 months and afterwards become part of an alumni network to keep sharing information and knowledge with previous Juniors Group members.

#### B.4.3.2 GOLD

Nominated by management every year, members of the Talent Group are invited to take part in the prestigious GOLD Program. In cooperation with HEC Paris, Europe's leading business school, the GOLD program aims to train the future leaders of the company and create ambassadors for the company's values.

Throughout the program, participants explore Atos' business strategy, work on a project proposed at the beginning of the program as integral to our strategy, and focus on solutions to the challenges of global profitable growth that Atos faces. It is a unique opportunity to network with Talents from different Atos companies, different disciplines and different cross-cultural experiences.



### B.4.3.3 On-the-job experience

Talents at Atos get the opportunity to participate to Group strategic transformation programs such as eXpand or Wellbeing@work, contributing to make Atos a strong performer in the market place and a best place to work. Talents can also join one of Atos network of expertise such

as the Scientific Community. Furthermore, Atos considers that on the job learning is one of the most effective way to develop and this is why significant opportunities for internal mobility are provided to Talents.

### B.4.3.4 From knowledge to excellence

At Atos we understand ambition - and we know that developing talents is key for the future of our company. The Atos University and other Learning & Development programs are here to help every employee reach its potential. We also promote on the job learning experience, a very effective way for our engineers to develop the specific skills and competencies they need to move ahead in their career.

With 28 hours of learning per employee on average throughout the year, Atos has kept a solid people development effort in 2011, despite the focus on the Siemens partnership, the process of merger the organization was involved in, and the context of economic crisis.

The main objectives of Atos' corporate learning in 2011 were:

- To integrate Atos Origin and Siemens IT Solutions and Services people development practices into one state-of-the-art global framework shaped to support the company's growth ambition;
- To pursue the Atos University programs, supporting the company strategy execution since four years, by developing the roles that are critical for success;
- To support the company cultural transformations such as the Zero email™ ambition or Wellbeing@work with appropriate change management programs;

The achievements made have been substantial on all dimensions, thanks to an effective and fruitful cooperation between the HR Learning & Development teams and the different stakeholders involved in the initiatives, from the business side or other parts of the HR organization.

The new company Learning framework has been defined and implemented straight away, with a 60% completion at the end of 2011. The framework is based on a new Learning & Development policy, and consists of global processes and tools - including the essential "myLearning" portal, which will stand as a single point of access to all learning opportunities for all Atos employees -, and a powerful Learning management organization

extended by an external partner for administration and external training management.

Atos University, the company's corporate university, trained nearly 1,200 people in 2011 through its international programs. Critical populations were involved in dedicated training programs, such as Global Sourcing for sales, Distributed Delivery for senior project managers, HR Business Partner for HR managers, or the Lean Academy to keep on building a wide competence centre to deploy Lean inside out across Atos businesses.

Furthermore, the GOLD program supported by HEC Paris, to develop the company high potentials through a customized mini-EMBA, has accelerated its pace with 2 intakes of 40 participants per year as from 2011 onwards.

In parallel, Atos has dramatically enhanced the access to Learning opportunities, by launching in 2011 the e-learning on demand approach, which simply provides free access to all the company e-learning libraries, for all Atos employees. Atos e-learning libraries cover a very wide range of topics, including English language, IT, project management, personal development, leadership, and custom contents on the company's offerings, tools and processes. Nearly 15,000 employees already benefited from this new approach, providing them with the knowledge and skills required to meet the needs of our clients today and in the future, while extending the Wellbeing@work in the same time.

In the near future, Atos also looks at how new ways of working enable the organization to enhance Learning experiences through the use of social media. The Zero email™ ambition program, and our Enterprise Social Network project in particular, drive social innovation within our company, unveiling new ways of learning, from informal interaction with peer experts and communities.

*"Let us think of education as the means of developing our greatest abilities"*

(John Fitzgerald KENNEDY)

## B. ATOS POSITIONING IN THE IT MARKET

### B.4. Human Resources policy and talent development

#### B.4.4 Workforce Management

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Workforce Management has evolved into a function that provides solid services to business and initiative leaders across the organization through a combination of strong strategic workforce planning and dedicated operational resource management. It is the aim of Workforce Management in Atos to always have the right number of people with the right skills available at the right location at the right cost.

During the year 2011 we have been able to keep the number of people 'on the bench' to a minimum, both before as well as after the combination of Atos Origin with Siemens IT Services and Solutions on July 1<sup>st</sup>, 2011.

In 2011, Global Business Unit Workforce Managers (GBU WFMs) have been assigned to all the newly defined Global Business Units and we have created a network in which these GBU Workforce Managers cooperate internationally on topics such as assignment of employees to work in other countries and exchange of best practices.

Workforce Management is continuously involved in 'lean' and 'offshore' initiatives where we create transparency for staff that is freed-up by these initiatives while ensuring that the anticipated cost savings are actually captured.

#### B.4.5 Talent reward and Retention

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As a global company, our compensation policy first objective is to recruit, motivate and retain the talents and key contributors wherever they are located, whatever their position. Our reward policy is designed to support our strategic objectives and to achieve operational performance and our key financial targets. Our objectives can only be met if our employees behave as one team, therefore, our variable incentives emphasize Group, Country or Team objectives, depending on the responsibility level or on the role.

We conduct an annual benchmarking exercise with our competitors in the ICT (Information and Communication Technology) and High Tech sector and monitor trends in the labour market to ensure our competitiveness and ensure our compensation packages are in line with market practices.

Our approach to reward is based on a total package that includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive Long Term incentives such as stock-options and performance shares.

Targets are mainly based on Financial and Personal objectives. Objectives are set each semester by cascading Group objectives using a "Top Down" approach. Our policy is to ensure that all objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-related). Our global bonus policy is therefore reviewed each semester to align objectives and guidelines with business strategy to deliver the best performance for our shareholders. Notably,

the weight of financial results has a significant impact regarding bonus payouts at all levels and for all functions.

Recognition plays a central part in our policy, with a main focus on non-Cash rewards. Every great contributor should be recognized within our company, whether belonging to Sales, Operations or Support Functions. To ensure this, we are rolling out major programs according to our Wellbeing@work initiative. Among the many initiatives, we would like to mention:

- Accolade, which empowers Managers to instantaneously reward their teams according to various levels. This is followed by a communication in the local newsletter to ensure recognition by peers.
- Success Story, which rewards one project delivery team for each of our 5 markets. Extensive communication follows and the key players have also the opportunity to share a lunch with the Group Executive Committee.

Atos develops employee and management shareholding to reinforce the sense of belonging to one community, develop the entrepreneurial spirit to align internal and external stakeholders' interests.

## **B.4.6 Employee and management shareholding**

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In 2011, Atos has introduced a large Employee Stock Ownership plans, covering more than 60,000 employees in 14 countries. This plan, called Sprint 2011, offered to employees the possibility to buy an Atos share with a 20% discount (ie Sprint Dynamic) or buy units of a leveraged product offering upside but also a minimum interest rate over the period during which the employees have invested.

The company has also introduced a performance share plans granted to the TOP 700 population with performance criteria aligned on the business plan of Atos.

This plan was approved by the Board of Directors of Atos SA on December 22, 2011, pursuant to the authorization under the 4<sup>th</sup> resolution passed at the General Shareholders' Meeting of Atos dated July 1<sup>st</sup>, 2011.

Overall, the employee ownership (mutual funds and corporate savings plans) moved from about 0.5% of the Group's share capital in 2005 to 2.18% as of December 2011.

## **B.4.7 International mobility**

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The integration of Siemens IT Solutions and Services in the course of 2011 has provided Atos with extended country coverage and enormous global opportunities, which, at a time when the new Atos is consolidating the new business model, translate into a particularly critical need for smooth and rapid international resource deployment, in order to better service our business and give it competitive advantage in its global business strategy.

The last twelve months have again presented particular challenges related to the economic climate, which have heightened the importance of communication and promotion of the significant advantages and added value of international resourcing. In addition to this, and the change management challenge of harmonizing Policies

and practices in the International Mobility arena, we have, in parallel, rolled out a new outsourced service model in order to leverage best practice and technology. This is now helping to stream-line delivery, improve assignee experience and provide better cost effectiveness and control to the business.

Looking forward, we see International Mobility as an important element in the company strategy to consolidate international markets, and international business skills as increasingly critical to our clients. We continue to invest significantly in developing international skill-sets and in our talent pool, and also in our processes and technology, in order to better serve our business and clients.

## **B.4.8 Pensions**

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Atos provides pension benefits in several countries where it operates, following local market and industry practice. Atos offers two types of pension benefits to its employees: based on defined contributions and based on defined benefits. These benefits are usually provided by associated pension funds, insurance companies or directly by the Group (book reserves). Atos has a preference for defined contribution systems which are the more prevalent in its industry sector and provide its employees with the most flexibility. Pension Funds or trusts are often legally separate entities with their own governance structure, independent from Atos.

Atos has a dedicated team in place to supervise its existing pension arrangements with the support of local pension managers, also providing technical expertise to business managers in outsourcing deals. This team is in constant pro-active liaison with the independent Trustees or Board / committee members of Atos related pension funds to monitor the development of pension schemes including investment and funding strategies. The team also monitors developments worldwide and amends pension arrangements in respect of new legislation and regulations as needed.

## B. ATOS POSITIONING IN THE IT MARKET

### B.4. Human Resources policy and talent development

All aspects of the management of pension benefits which are under company control are subject to specific policies and internal control rules and as part of the Group book of internal controls. The pension asset management policy promotes prudent, liability-orientated investments and serves as a permanent framework for discussions with pension funds.

In 2011, Atos pension teams have successfully completed the integration of legacy SIS pension arrangements in various countries, including the follow up of transition and funding agreements with Siemens. Finalization of the effective transfer of SIS UK pension assets and liabilities is scheduled to happen in the first half of 2012.

#### B.4.9 Performance management and Human Resources Annual Review

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In 2011, with the acquisition of SIS, performance appraisal were more important than ever. It was a good opportunity for new managers to meet their employees so that everyone can meet each other. In order to facilitate this process and given to the size of the Group, Human Resources, along with managers and staff representatives, have worked to define a performance management tool to be rolled out in 2012.

Thanks to this new tool, every employee of Atos will be set objectives in line, will be subject of an appropriate review, and will benefit from a development plan to manage his career within the Group. This tool is connected to training and development tools and allows employees to book directly their training once their individual development plan is formalized and approved.

#### B.4.10 Communicating with representatives

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2011 was a very active year for the social partners' representatives of Atos employees.

Two plenary meetings and four ordinary and extraordinary meetings were indeed held with the European Works

Council (EWC) to prepare the SIS acquisition. Cooperating with the EWC was important for the success of the acquisition and for the build of the new Atos. The countries Works Councils were also involved in this process in order to contributes to the integration success.

## B.5 Corporate and Social Responsibility

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Initiatives described in this section are more detailed in the CSR report.

### B.5.1 IT Sector - opportunities and challenges

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#### B.5.1.1 2011 Trends

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Our clients are facing unprecedented levels of volatility; a 'perfect storm' of economic, social and environmental turbulence. And with an increased focus on reducing their carbon footprint, our clients are looking for ways to innovate and improve while spending less money.

Atos aims to be the trusted Business Technologist partner of choice to help our clients become Firms of The Future,

with sustainable business embedded into the organizational DNA. Core to our approach is a deep understanding of our clients' priority challenges and opportunities, aligned to a rich breadth and depth of our world-class Business Technologists and our applied solutions.

#### B.5.1.2 Smart Cities - From techie dream to sustainable reality

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The field of domotics and building automation is not really new, and the concept of smart homes and buildings has been a recurring theme in the media for some time. However, while it cannot be considered a complete failure, it certainly has not fully delivered on its promises. Skepticism around the concept is not rare and has even tarnished it with a "rich geek toys" stereotype.

But this is changing. The growing importance of sustainability means home and building automation is maturing. Two important areas of action are shaping its future:

- The focus on an intelligent and transparent user experience, following in the footsteps of ambient intelligence (AmI)
- The importance of energy efficiency, mainly in terms of integration with smart meter/ smart-grid technologies.

The combination of these two areas will drive domotics in the near term, helping move it from 'DIY' (do it yourself) toward a more systemic view, in which smart homes and buildings form the base of bigger order entities, like smart cities. Atos has built up an understanding as to how the various technical, social, and economic drivers can encourage the wider deployment of domotics. This is clearly visible in the smart building business and could, for example, propagate to the smart-home arena in the future.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

#### Cloud Computing: a new way of operating

The shift to Cloud Computing offers great opportunities in the field of sustainability too. It dramatically reduces the

need for server capacity for clients and enables people to work, no matter when or where, which reduces the need for travel and increases employee flexibility. Homeworking is becoming easier and the improved accessibility of information contributes to a healthier work-life balance.

#### B.5.1.3 From Social Computing to Social Business

The use of Social Networks and communities also makes it easier to share efforts in the field of sustainability with a broad range of stakeholders such as partners, clients, suppliers, etc. As such, it enables an increase in stakeholder dialogue and transparency of strategy and operations. Social media can be an important tool to share the

sustainability agenda of companies and request feedback on their sustainability strategy.

## B.5.2

### Vision & Strategy

#### B.5.2.1 Leadership in IT for Sustainability

Many organizations are already linking sustainability with operational excellence and actively seeking opportunities for cost savings and increased efficiency. This has led to pressure on the IT industry to develop technologies that support both profit and sustainability by controlling costs, improving performance and cutting environmental impact, something which is only likely to increase. Here we believe that bringing together People, Technology and Business is the way forward.

**Atos' ambition is to be recognized as a European IT champion** with global reach, providing innovative IT solutions to help its clients become more sustainable. Atos wants to become 'best in class', not only for its own operations but also in the way it serves its clients. By embedding sustainability in our own company as part of our DNA, we automatically ensure that it is similarly embedded in all the propositions we make to our clients.

To achieve this, our corporate responsibility strategy is based on three axes:

- Consolidate and increase positions in recognized sustainable rankings as GRI, Great Place To Work and financial ratings as DJSI, FTSE.
- Embed sustainability in company's DNA through corporate values, operational excellence, social responsibility and business development.
- Strengthen stakeholder dialogue in order to endorse strategic challenges for the company as well as key performance indicators that will measure and publicly report the advancements of Atos sustainability program.

#### Corporate Responsibility Governance

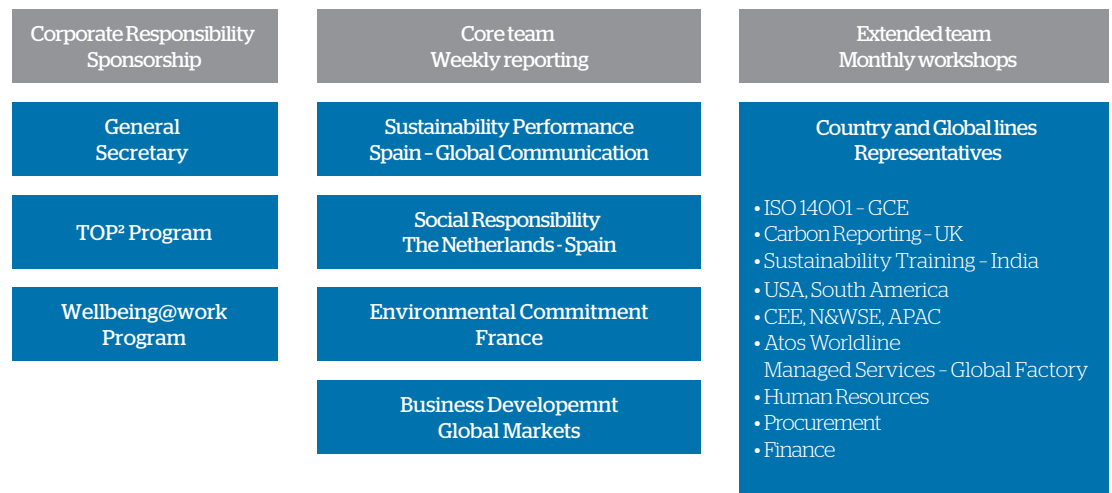
Atos' Corporate Responsibility program, part of the Group's TOP (Total Operational Performance) program, is overseen by the Group's General Secretary reporting directly to the Chief Executive Officer, Thierry Breton. Atos Corporate Responsibility Program follows the principles of the ISO 26000 international standard.

The Corporate Responsibility Office is a global entity under the responsibility of the General Secretary, composed of an international team of around 15 people including 11 global business units' heads of corporate responsibility as well as service lines representatives.

The Corporate Responsibility office holds weekly calls and meets monthly, either on a physical or virtual basis in order to discuss strategic decisions and the implementation of follow-up actions. Bi annual specific reviews are performed by the Group Executive Committee. The Board of directors also dedicates a yearly session on corporate responsibility.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility



#### B.5.2.2 Strengthening stakeholders' dialogue

Atos communicates regularly with its stakeholders in order to alert, mobilize and identify their key issues. In 2011, the Group has assessed for the second time a formal materiality process of social and environmental key performance indicators in order to review and endorse essential challenges that the market and main stakeholders consider are essential for Atos to manage and communicate in its Corporate Responsibility report.

##### First stakeholder dialogue meeting in London

To kick off the development of a structured program, a first stakeholder dialogue took place in November 2011 at our Olympic technology center in London. A selected international group of partners, Non Governmental Organizations and suppliers took part in our discussions to create a clear stakeholder governance and action plan for 2012. At this full day working session we invited our guests to challenge our corporate responsibility strategy and activities and to share their best practices. Through open discussions we shared expectations and ideas in order to engage in a mutually beneficial collaboration.

##### Clients

Atos organizes regular meetings with clients to share our sustainability vision and activities and discuss where we can cooperate to have greater impact together. In October 2011, the Atos ASCENT event took place where 200 of our top clients were invited for a 2-day workshop in Berlin. Ascent 2011 was dedicated to organizations' power to make a difference - to shape the "New Reality" that has emerged in the business. Together we build a vision for the future that can be used to shape our guests' business

ecosystem, redefine the architecture of that ecosystem and consider the impact each business has on the people and places around it.

##### Customer satisfaction

In 2011 Atos conducted Customer satisfaction surveys at country level, and for its major clients such as Siemens. The annual, strategic measurement of the satisfaction of our customers is very important to Atos and the goal is to improve our services and retain our customers. In early 2012, a worldwide program has been launched to globally drive a harmonized Strategic Customer Satisfaction Management approach. It allows to measure comparably client satisfaction on CxO level in all countries and to define efficient actions on client, GBU and corporate level. The goal is to systematically optimize client satisfaction and subsequently increase client retention and renewal rates.

##### Partners & Suppliers

Atos aims to work closely with partners and suppliers to help accelerate sustainable progress. The stakeholder workshop in London in November 2011 was a first step to build a closer relationship and start defining joint activities that will support both parties to progress on sustainability objectives. Partners and suppliers included Ecovadis, SAP, United Nations Volunteers, International Paralympic Committee, AOS Studley, O2 France, ISS World, The Planet Workshops, The Carbon Neutral Company, Green Grid, CA Technologies, Carbon Disclosure Project, and the GRI. This will be further developed and implemented in 2012.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

#### Atos' Employees

Employees are one of our key stakeholders and play a vital role in developing and implementing our sustainability strategy. Open and transparent dialogue is key to ensure that our strategy and activities are understood and embraced, and there is room for discussion and sharing ideas in order to progress. This was particularly the case in 2011 where there was a clear focus on a smooth integration of former Atos Origin and Siemens IT Solutions and Services.

#### Great Place to Work survey\*

As part of the Wellbeing@work transformation program, Atos has the ambition to enter the Great Place to Work (GPTW) challenge for all countries. The aim is to be recognized as a best place to work, as well as to measure the impact of the Wellbeing@work initiatives on our employees and determine the areas that need further improvement. In 2011 several countries entered the challenge and more will follow in 2012.

### B.5.3

#### Mission and Commitments

Our Mission: "the pursuit of financial profitability with a conscious environmental and social impact."

Atos' ambition is to be recognized as a world leader in providing innovative IT solutions to help its clients become more sustainable. Atos wants to become 'best in class', not only for its own operations but also in the way it serves its clients. By embedding sustainability in our own company as part of the Group's DNA, we automatically ensure that it is similarly embedded in all the propositions we make to our clients. This will be achieved through 4 Action Domains:

- **Governance, Ethics & Compliance** - to implement corporate governance best practices and guarantee the respect of ethics in business and in the relationships with the Group's stakeholders.
- **Social Responsibility and Corporate Citizenship** - to launch a "Well Being at Work" ambition aiming to improve the employees' working environment and their social responsibility impact in the community.
- **Environmental Commitment** - to consolidate green initiatives aimed at measuring, monitoring and reducing the Group's impact on the environment.
- **Business Development** - to accompany our clients on their journey toward sustainability and bring about IT-enabled transformation and behavioural change solutions in our clients' approach and attitudes towards the firm of the future.

#### Our Commitments:

The Group has established **five high level commitments** to drive the whole Corporate Responsibility program that serve as focal goals to guide international approach, implementations and advancements of the company worldwide:

- To improve **corporate performance and public reporting** in accordance with international best practices and operate in compliance with sustainable sector standards, anticipating new European regulations.
- To invest in and develop the **wellbeing at work of our people** and the contribution to **local communities**. Be a responsible employer. In this respect, Atos is totally committed to the strategic goal of becoming a **"great place to work"** through the development of new ways of working, collaborative tools and high-trust workplace cultures.
- To reduce global **corporate footprint** and establish **green policies** that will foster **operational performance**.
- To support our clients on their journey towards environmental excellence, with **innovating solutions** and a differentiator portfolio.
- To continuously undertake **proactive dialogue with main stakeholders** to understand and give response to their expectations.



**Our targets:**

Accelerate our progress		2011	2012	2015
<b>Best in class</b> International standards and IT sector practices		Consolidated global reporting performance worldwide		
		Move up position in investors ratings		
		Contribute to Great Place to Work certification		
		Strengthen Stakeholders dialogue		
<b>People</b> Wellbeing@work		Reinforce Corporate Social Engagement		
		Strengthen University relations		
		Endorse Corporate Diversity policy		
		Assure employees awareness		
<b>Planet</b> Environmental operational performance		Reduce 45% of Corporate Footprint by 2015		
		Assure 100% renewable energy sourcing for DCs by 2015		
		ISO 14001 certification in all DCs and main sites		
		Implement green policies worldwide		
<b>Profit</b> Innovative solutions		Leverage Zero Carbon Data Centers differentiator		
		Promote international partnership with SAP		
		Markets and Sales force mobilisation		
		Zero e-mail , Firm of the Future, Green IT, Smart City , etc		

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

#### B.5.4

#### Achievements of 2011

By placing sustainability at the core of our corporate strategy, Atos has been able to build on a sound foundation and expand its activities and achievements in this area, many of which have already been highlighted throughout this Report. Significant achievements so far include:

- **Global Reporting standards recognition:** In May 2011, Atos published its second Corporate Responsibility report in line with the Global Reporting Initiatives (GRI) guidelines and was rated Level A+ by the GRI. In addition, Atos is supporting GRI as Organizational Stakeholder since 2009 to show full commitment with recognized best sustainability reporting practices in the market.
- **Toward a Zero email™ company:** In early 2011, Atos announced its ambition to become a Zero email™ company within three years as the company believes that the volume of emails that we send and receive is unsustainable for business. We are adopting innovative social business solutions to bridge the 'social business gap' and provide a more personal, immediate and cost effective means to manage and share information.
- **Entering international sustainable rating Indexes:** In 2011, Atos entered two new market investor ratings' lists, the FTSE4GOOD and the ASPI Eurozone indices in recognition of our leading environmental and social practices.
  - ASPI Eurozone\* index is composed of the 120 top-rated companies in the Eurozone, based on a corporate responsibility best-in-class approach.
  - FTSE4Good ESG Ratings have been designed to objectively measure the ESG (Environmental, Social and Governance) risk and performance of companies worldwide. Supersector-relative ratings across six ESG themes track over 2,300 public companies, making FTSE4Good ESG Ratings a valuable tool for investors who wish to incorporate ESG factors into their investment decision making processes, or as a framework for corporate engagement and stewardship.
- **Sustenance to Green Grid Forum:** Since 2008, Atos has been a member of the Green Grid IT sector association contributing to high tech research studies, such as the Data Centers Energy Efficiency published in 2011.
- **Carbon Disclosure Project:** In 2011 and for the 4<sup>th</sup> year, Atos has reported its Corporate Footprint to Carbon Disclosure Project following GHG international protocol.
- **The first international IT Group offering Carbon Neutral hosting services:** In 2010, Atos decided to offset all of its data centers' carbon emissions. The project selected is a wind power project located in India. The Group engaged with the Carbon-Neutral Company at the beginning of 2011 and there will be a new partnership with South Pole Carbon. We have now extended this offsetting policy to the ex-Siemens data centers so that the full Atos scope is covered.
- **Worldwide collaboration with SAP on Intelligent Sustainability solutions:** In 2011, Atos launched the implementation of the SAP Sustainability Performance Management application to help achieve the Group sustainability goals. This project's strength forms a key ethos of Atos' corporate responsibility program: to be an exemplar and enabler of innovative sustainability solutions by showing how companies can use IT to accelerate the results of sustainability programs.
- **First stakeholders Dialogue workshop in London:** As already mentioned, in 2011, Atos held its first Stakeholders Workshop with 15 partners participating. The aim of this workshop was to establish a dialogue and discussion on Atos' sustainability strategy, the impact on the wider community and how to engage stakeholders, in order to improve and expand joint activities and strength valuable collaborations.
- **Wellbeing@work and Great Place to Work challenge:** In early 2010, Atos launched its Wellbeing@work initiative, demonstrating that its employees remain its first priority. This program continued in 2011 with major Atos geographies entering the Great Place to Work challenge, and was deemed one of the key points for a successful integration of Siemens IT Solutions and Services. The program underpins the company's ongoing transformation to become a fully integrated and global company, and recognized as a best place to work.
- **Global Diversity Program:** In 2011, the Group defined a global Diversity and Equality Program aiming to address significant targets for the company and develop an implementation plan globally. Workshops were held in order to address the company status and best practice in multinational companies in order to harmonize several existing initiatives and set a global framework compliant with international human rights and labor standards. The policy is available and a communication plan will be designed to increase general awareness of employees.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

• **Member of the UN strategic business club:** In July 2011, Atos confirmed its adherence to the United Nations' Global Compact, thus demonstrating once again its commitment to operating under universally recognized responsible business principles.

• **Ethics in business:** In line with its commitment to the UN Global Compact, in December 2011 Atos published its Group Code of Ethics, distributed it to all new employees worldwide and launched a related training program.

• **First IT Challenge contest:** In 2011, Atos launched the first edition of the Atos IT Challenge. The objective of this contest is to promote and encourage innovation in an open environment as well as support young innovators in taking their ideas forward on the topic of Smart Mobility as it relates to sustainability. This contest allows to identify new talents amongst students from more than

25 best-in-class Universities in Germany, Spain, France, India, the Netherlands and the UK.

• **A new headquarters meeting high-quality environmental standards:** The new Atos Campus in Bezons, France is the first office building in France to obtain the triple certification HQE Construction (High Environmental Quality for building), THPE (Very High Energy Performance), and HQE for Operation. Our campus in Pune, India, has a Gold standard ranking for the buildings and Platinum for its interior.

• **The new Atos Campus in Essen,** Germany received the Silver Certificate of the German Sustainable Building Council rating the ecological, economic, sociocultural, functional, technical, process and site quality of the building.

## B.5.5

### Building a great place to work

#### B.5.5.1 Our values and identity

##### Unlocking the creative potential of our workforce

With the launch of the new Atos in July 2011, we formulated a clear vision with sustainability at the center: *"At Atos we strive to transform to a sustainable Firm of the Future. We believe that bringing together people, technology and business is the way forward. Our 74,000 Business Technologists power progress every day, for our clients, ourselves and the wider community"*

The Wellbeing@work initiative underpins our ongoing transformation to become a more integrated and global company. It creates greater trust and transparency, engender a strong feeling of pride in people's jobs and builds an environment where people really enjoy working with each other to achieve the best results - a true Firm of The Future!

#### B.5.5.2 Creating a great place to work

When it comes to creating a great place to work, we need to have a clear view on where we are now, what we need to improve and where we can excel. So to measure and benchmark the quality of our working environment to the best references across the world, Atos has engaged the renowned and independent Great Place To Work® Institute. This institute is a global research, consulting and training firm that helps organizations identify, create and sustain great workplaces through the development of high-trust workplace cultures. It serves businesses, non-profits and government agencies on all six continents.

##### Competing for, and earning, the right to be called a Great Place to Work

By the end of 2011, the first surveys had been conducted in Atos Worldline Belgium, Brazil, Canada, Finland, Germany, India, Spain, the US and the UK targeting some 30,000 employees. The Brazil survey has now been audited and Atos is currently ranked in the top 20% of companies in the country. In early 2012, Atos was awarded as "Great Place to Work" in Poland. The aim now is to improve the rating in 2012 so that in subsequent surveys it enters the top 10% and so officially qualifies as a "Great Place to Work". We are currently extending the surveys throughout our organization, including new countries such as the Netherlands, the Philippines, France, Denmark, Sweden, Switzerland, Greece and Italy.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

#### B.5.5.3 Zero email™ challenge

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One of the key building blocks to create a great place to work is our Zero email™ ambition. A move to Zero email™ addresses the challenges organizations face as a result of the continuing explosion in data. We believe that email is on the way out as the best way to run a company and do business. Atos' aim therefore is to eradicate all emails between Atos employees by using improved communication applications as well as new collaboration and social media tools. For example, by using Office Communicator (OCS) instead of email for quick questions to or chats with colleagues, or by using Livemeeting to instantly organize online meetings and sharing documents.

Atos has launched a companywide program to enable more efficient and effective collaboration across borders and organizational units. By applying new ways of working using innovative technologies to bridge the "social business" gap we can achieve better communication, team working and social networking, and will be able to manage and share information much more effectively. Take for instance email, the volume we send and receive is unsustainable for business. With an estimated 20 hours a week spent on email alone, it is fast polluting our working environments and also encroaching into our personal lives. With our Zero email™ program we are taking action

to reverse this trend. We are ambitious as we aim to be a Zero email™ company within 3 years (end of 2013).

#### Equity and diversity

In 2011, a global initiative to develop a new equality and diversity policy was launched. Its objective is to not only develop an international policy according to recognized human rights and labor standards, but also to have a proactive role in promoting rights, equal opportunities and career evolution for minority groups within Atos. The Group seeks to:

- create a working environment which is free from discrimination and harassment and where each person is treated with courtesy, dignity and respect;
- have employment practices which ensure that individuals or members of a particular group have equal opportunities and are not discriminated against because of their attributes;
- promote appropriate standards of conduct;
- promptly resolve issues when they occur and resolve complaints in a fair and timely manner.

## B.5.6

## Responsible Citizenship

As a leading international IT services provider, we understand that our activities and IT services in general are fully integrated into people's day to day life and can contribute to creating long-term value to society at large. Corporate Citizenship is not simply a badge that we wear because it's fashionable; it has always been part of "who we are" and "what our employees do" around the world. At Atos, we recognize the teambuilding and motivational opportunities afforded to our people by helping them to participate in community-related initiatives. Examples include:

**Atos Spain** supports AGENT-DYSL with the development of an intelligent system for reading assistance for school age children with dyslexia to improve their reading. The Intelligent System to Assist builds and maintains individual profiles through "observation" of each child while reading the text on the display area of the system and by the recognition of read errors.

**The Atos Cycling Tour**, organized by the Dutch organization and established in 2005, raised EUR 14,500 for the Children Cancer Fund. The team, consisting of 50 cycling colleagues from the Netherlands, Germany, Belgium, France, UK and even Singapore, started their journey in Paris where they were welcomed by our Corporate Management team to wish them a safe trip.

**More than 1 million Thai baht raised for Atos Thailand workers hurt by recent flood crisis in Bangkok.** In 2011, Thailand, along with other Southeast Asian countries, experienced catastrophic flooding resulting from an unusually high amount of rainwater collected during the monsoon season. Atos Thailand raised 235,000 baht and in addition, Atos Thailand offered interest-free 60,000 baht loans to those who reported damages, to be paid back over the course of 12 months. Also, for those whose homes were uninhabitable during the crisis, Atos Thailand offered support in the form of free accommodation in local apartments and hotels.

**Atos Germany** supports Startsocial, an incorporated society, financially and encourages social engagement of its employees via a volunteer program. Startsocial, whose patron is the German Federal Chancellor Angela Merkel, organizes an annual competition, which provides 100 social projects a three month coaching period.

Employees at **Atos India** are very engaged in social initiatives such as the Tree Plantation event where volunteer employees planted saplings like fruit bearing, medicinal value etc. to help poor farmer's achieve their

targets and earn their livelihood. These activities are conducted in rural areas, and Atos contributes considerable amount on welfare of the children education in that village.

**In Atos Australia** a team of employees walked the 100km Oxfam walk to raise funds for the Oxfam organization. Oxfam Australia is part of a global movement of dedicated people working hard to fight poverty and injustice. The company matches the employee fund raising efforts dollar for dollar.

In terms of social engagement **Atos France** supports "Energie Jeune", an organization committed to fight against the dropping out of school. The aim of the program is to apply Atos' knowledge to help young college students with their studies. At present we have 10 employees engaged in this initiative and for 2012 we aim to increase the number and widen the initiative throughout the country.

In the future, successful businesses will be those that are seen to be social businesses. It's an approach that Atos has already pioneered in partnership with its clients. We are always looking for innovative and rewarding projects where we can leverage new technologies for you in a responsible way and which act as a major lever to enable societal changes and create progress. Examples include:

• **Increasing online accessibility to medical information** - Atos has developed and coordinates the integration of all of the elements of the KHRESMOI European project. This increases online accessibility to reliable medical information for both the general public and medical experts. Through this system, Internet users will be able to search and access reliable health information in their local language, generated from various medical information sources (scientific publications, image banks, pharmaceutical databases, etc).

• **Olympic values promotion to Spanish youth inside public education** - Atos has designed the technical platform that will promote the Olympic values at schools in Spain. Developed by the Spanish Olympic Committee, the Ministry of Education, the University Camilo José Cela (Madrid) and Atos, the project aims at promoting the Olympic values in the course "Education for citizenship", such as 'team effort'.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

- **Towards a sustainable health lifecycle system** - Atos has long-term experience in providing IT services to the healthcare sector, including with Atos Healthcare in the UK, a division of Atos, that combines the Company's expertise in consulting, technology and healthcare to improve the way care is delivered.
- **We believe that through the use of IT significant progress can be achieved** regarding life quality improvements, despite the current challenges (an ageing population, increasing demands on, and the cost of, healthcare).
- **Efficient online overview of pension details for all Dutch citizens** - Atos designed, built, manages and hosts the "Mijnpensioenoverzicht.nl" website for the Stichting Pensioenregister, which aims to give Dutch citizens a clear insight into their (future) pension situation. Since the launch in January 2011 more than 3 million visitors found their way to the site and recently the site won the Dutch NAF Architecture Award for the easy to use structure.

**B.5.7**

**Continuing the Group's Green transformation - Improving our environmental performance**

Decarbonizing the earth is part of any company's responsibility. It means not only considering the environment as a precious resource, but it also means addressing the life conditions of people and communities and to anticipate the consequences of today's actions for

future generations. Firms of the future need to make carbon management a pillar of their business strategy. At Atos, we believe that the implementation of an Ambition Carbon Free initiative not only strengthens the stability of a company but also reinforces its competitiveness.

**B.5.7.1 Our zero carbon ambition: a plan in action**

Since 2008, Atos has undertaken an annual evaluation of the carbon footprint of the entire company, including all its activities. This initiative involves identifying the main sources of emission and taking the right actions to reduce the volume of CO<sub>2</sub> (directly or indirectly) emitted.

Our initial objective was to abate the carbon footprint of Atos by 15% over the period 2009-2011 (2008 baseline). Thanks to the efforts provided, we succeeded in reducing it by 16% (at constant scope) within 2 years (2009-2010).

Considering the increasing pressure on IT (partly due to the digitalization of the economy) and the vastly increased size of Atos following the merger of Atos Origin and Siemens IT Solutions and Services), Atos decided to reinforce its efforts to tackle climate change. In this connection, in 2011 the company set itself a new objective for the 3 coming years (2012 - 2015): to abate by an additional 30% the whole carbon footprint of Atos (using 2011 as a baseline).

This objective is broken down as follows:

- - 30% CO<sub>2</sub> for buildings and travels (2011 baseline)
- - 30% the CO<sub>2</sub> resulting from Data Center operations (2011 baseline).

To reach the target, we looked at different areas such as the carbon embedded in IT equipment, energy consumption

(electricity fuel or gas, for instance), and waste management. Here we have identified several levers that can contribute to the effort of energy management and carbon reduction:

- Energy management in data centers by acting on IT infrastructure (e.g. cooling, space room organization, cold corridor optimizing air flow, etc) which can bring significant energy savings.
- Energy building management leading to savings of up to 20% of the energy bill (optimizing the energy consumption of heating, ventilation, and air conditioning, lighting, etc). The DESIMA solution, a coherent set of Demand Response and Energy Management software tools developed by Atos, is implemented in the Atos headquarters in Bezons. This solution is likely to be progressively extended to other new Atos sites.
- Energy desktop management allowing us to potentially reduce our energy bills by 30%. An experiment is underway in order to determine the real benefits of the solution before its deployment on a larger scale.
- New ways of working based on new technologies (Office Communicator systems, Microsoft), allowing Remote Working, reducing travels needs, increasing productivity, and improving the work/life balance with a positive impact on environment. Our Zero email™ policy is part of this approach. It should contribute to reducing the carbon footprint of employees in their daily tasks.

**B.5.7.2 The first global IT company to offer carbon neutral data centers**

In 2010 Atos became the first global IT provider to offer carbon neutral hosting services. The first carbon assessment of Atos in 2008 revealed that data centers were responsible for more than 50% of Atos' CO<sub>2</sub> footprint. This was confirmed during the following years (54% in

2008, 63% in 2009, 56% in 2010 which corresponds approximately to 128,000tCO<sub>2</sub> - total footprint produced in 2010 at a global level, was 310,000tCO<sub>2</sub>).

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

It therefore became necessary to consider our data center activity as a priority in our carbon management strategy. Furthermore, since July 2011, we have faced the challenge of a mechanical increase in the carbon footprint due to the merger between Atos Origin and Siemens IT Solutions and Services (SIS). This means that Atos will have to increase its efforts to control and monitor CO<sub>2</sub> emissions in the 48 countries where we are located.

In this connection, Atos implemented in 2011 a program with the ambition to be considered as the leading IT

company in power management and carbon abatement strategy. Atos' environmental strategy gives primary focus to 13 strategic countries (Austria Belgium, Brazil, China, Finland, France, Germany, Hong Kong, Netherlands, Singapore, Switzerland, United Kingdom and USA).

To further meet its responsibilities, Atos has also decided to offset the entire CO<sub>2</sub> footprint of its data centers through Carbon Credits invested in a wind power supply located in India.

#### B.5.7.3 Renewable energy sourcing worldwide

Atos' objective is to avoid producing carbon which raises the question of moving from CO<sub>2</sub> compensation toward a suppression of emissions at source, which would involve a review of our policy in relation to electricity supply. Some countries like The Netherlands or United Kingdom have

initiated this process. The intention is to progressively extend this practice to all our strategic data centers by 2015. A transition roadmap to gradually move towards a zero carbon emission status and progressively reduce the carbon offsetting program is currently under analysis.

#### B.5.7.4 Deploying green policies to reduce the impact of our activities

During 2011, Atos consolidated the implementation of a number of global policies and launched new programs concerning sustainability and corporate responsibility.

• **Smart Travel policy** - The Atos travel policy establishes procedures for employees who travel on behalf of Atos for business purposes. The policy is mandatory and applies to all employees of Atos across the world. All travel bookings must be made via contracted Travel Agents, applying the travel policy in the booking process. The implementation of Office Communicator System on desktops (unified messaging) reduces the need to travel and limits the number of kilometers traveled.

• **Car Fleet policy** - As from January 2010, cars with emission above 120g CO<sub>2</sub>/km are no longer permitted as part of Atos' car fleet, and leasing terms for cars which have a carbon emission above 120g CO<sub>2</sub>/km cannot be renewed or extended.

• **Waste management policy** - Atos gives a particular attention to potentially hazardous waste. The Global Waste Management Policy states that all wastes have to be managed in full compliance with the WEEE directive (Waste Electrical and Electronic Equipment). As a result, the responsibility of the waste management relies now on the supplier.

• **Controlling and limiting the risk of the supply chain** -

To limit the risk on our supply chain, we make sure our suppliers comply with best practices. Here we are supported by Ecovadis, allowing Atos to assess the environmental and social performance of their suppliers on a global basis. As a result, Ecovadis ratings help us reduce risks, drive performance and eco-innovation in our supply chain.

• **Promote best practices with suppliers thanks to the Sustainable Supplier Charter** -

The Atos Sustainable Supplier Charter is attached to all major contracts. It complies with the UN Global Compact principles and encourages suppliers to implement best practices (environment, social, ethic, supply chain). On their side, all purchasers have signed the purchasing code of ethics, and commit to abide to its rules and principles.

• **Sustainable development weighs 10% in the process of decision making** -

In the process of measuring the effectiveness of the supplier through the QCLDM performance metric (Quality, Cost, Logistics, Development and Management), we have added the Sustainability (S). Sustainability is an increasing Business Requirement that we need to understand from stakeholders and translate to suppliers. As a result, business requirements include Sustainability.



• **Sustainability is part of the bonus scorecard of purchasers** - As from 2010, Sustainability has been integrated into the bonus score card of all Global Category

purchasers and country purchasing managers. This incentive ensures that sustainability is clearly addressed in the daily job of suppliers.

#### B.5.7.5 Environmental certification roll-out

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In 2009 Atos launched the implementation of EMSs and attaining ISO 14001 certifications for office sites and data centers. Key aspects include:

- ISO 14001 certification program roll out in all countries (buildings and data centers) with the objectives of 35% of sites certified in 2011 and 80% in 2013;
- Carbon audit roll out in the Group's European data centers;
- In 2011, Atos Origin will offset all of its data centers and offer its clients a Carbon Neutral data center offering, through a partnership with the Carbon Neutral Company.

Here the major environmental aspects relate to the usage of electricity, gas and fuels to operate data centers and offices. The common factor of these environmental aspects is carbon emission and therefore our ambition is, to manage the majority of our Carbon emissions through an Environmental Management System (EMS), aiming for at least 80% in the final stage. This implies to address major office sites and strategic data centers located across 42 countries.

With regards to data centers, the target initially agreed in 2010 was to certify 25 data centers over the period 2010-2012. By end of 2012, 100% of the target should be reached: 11 data centers were certified by 2010, 3 additional data centers were under certification process in 2011 and 11 sites are planned in 2012.

A similar approach in regard to office buildings is currently under implementation. By today 20 major office sites across five countries (Spain, Portugal, Netherlands, Switzerland, Germany) are already certified. Based on the 2011 results of the Carbon Footprint Abatement Program, the strategy for the certification of office sites will be redefined, taking into account floor space and the number of employees working on site. The objective is to certify all main office sites by 2015. Major office sites with more than 400 employees are located in France, Germany, Poland, Spain, India, Brazil, United Kingdom and Belgium. The Atos Campus certification process complements the EMS approach.

## B. ATOS POSITIONING IN THE IT MARKET

### B.5. Corporate and Social Responsibility

#### B.5.8 Powering progress to transform to the firm of the future - sustainable growth

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Atos understands the role it can play in developing solutions that allow its clients to operate in a more sustainable way which is both good for their own business as well as for society and the environment. Atos' Firm of

the Future' strategy helps its clients transform to a sustainable, collaborative and adaptive organization, addressing both strategic and operational levels and the supporting infrastructure.

##### B.5.8.1 Accompanying our clients' sustainable transformation

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To help clients transform towards a Firm of the Future, Atos' business technologists have developed solutions and toolkits that can transform a business into a sustainable, collaborative and adaptive organization, addressing all aspects of the strategic and operational levels and the supporting infrastructure:

- **Strategy & change** - Helping to transform to a sustainable business model: We provide consulting services and solutions that help a business model evolve to a sustainable Firm of the Future.
- **Operations** - Enabling the move towards sustainable operational excellence: Optimizing business processes to save costs, increasing efficiency and flexibility, stimulating

knowledge sharing and enabling collaboration across the value chain.

- **Infrastructure** - Ensuring a sustainable IT infrastructure: We offer a carbon neutral hosting facility and Green IT services to transform a business towards a decarbonized sustainable infrastructure.

In each area we provide leading innovative solutions. Taken separately or as a complete portfolio, Atos provides the innovation, solution-focus and long-term partnership approach to ensure that a business is able to adapt and flourish in these increasingly volatile times.

##### B.5.8.2 Intelligent sustainability - sustainability dashboards - delivering transparent and critical management data

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Once a client has established his desired position, strategy and KPIs, the organization can begin implementing and managing a new, more focused sustainability program. But this requires accurate, timely and transparent data. Here Atos provides accurate and consolidated reporting

solutions, such as the Sustainability Performance Management (SPM) dashboard, which can deliver exactly the required intelligence from across the value chain and up and down the organization.

##### B.5.8.3 Ambition carbon free

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In 2009, Atos applied the Ambition Carbon Free approach to its own IT infrastructure as part of its world-wide carbon audit program. Our ambition is to become the most carbon

efficient player in the ICT market by helping clients to lower their environmental impact. As a result, Atos has decided to implement a voluntary offsetting mechanism.

#### B.5.8.4 Smart energy management

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Atos Worldgrid is a world leader in Smart Energy and Utilities (electricity, oil & gas and water, etc.) focused on smart energy solutions around production, transport, distribution and retail to enable businesses to achieve energy efficiencies and increase sustainability, while improving operational performance. Here smart grid and smart meter technologies are an important part of the transformation towards a more sustainable future.

##### **The world's first smart metering technology**

In 2011, Atos Worldgrid delivered the Linky Information System with an Automated Meter Management system. Smart Data Concentrators will become Smart Grid Nodes, allowing Advanced Distribution Automation, by combining the strengths of Smart Metering and of Distribution Automation. The Linky system is designed as 'Smart Grid Ready' and offers the key benefits of sustainability, greater interoperability, increased customer service and cost reduction.

#### B.5.9 Operating in compliance with sustainable best practices and international standards

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Atos also provides thought leadership through its joint work with leading universities, charities, think tanks, regulators and business partners. For example, Atos' unique partnership with BCI: Biomimicry for Creative Innovation helps apply ecological thinking for business transformation, building on concepts such as cradle-to-cradle, industrial ecology, biomimicry, process re-engineering, servitization and systems-thinking.

Whilst Atos is first and foremost about solutions, we recognize that engagement at a thought-leadership level is vitally important to ensure solutions deliver the desired results. In 2011 Atos proactively engaged in thought-leadership for sustainable business. Blogs were written for a number of sustainability discussion groups (such as The Guardian Sustainable Business & Tomorrow's Company

blogs) as well as guest lecturing and joint collaboration on sustainable business with a number of leading Universities. Also in 2011, Atos released its 'Simplicity & Control' Report as part of its Scientific Community commitment to thought leadership and emerging IT trends related to IT-enabled transformation.

Along with our SAP partnership on Sustainability Solutions, in 2011 we formed a unique co-innovation partnership with Siemens, a world leader in execution systems for operational excellence & sustainable business. The Siemens and SAP partnerships aligned to sustainability solutions ensure Atos provides world leading expertise in sustainable business solutions ensuring our clients can transform to Firms of The Future.

# C. FINANCIALS

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<b>C.1</b>	Pro forma	100
<b>C.2</b>	Operational review	101
<b>C.3</b>	Financial review	125
<b>C.4</b>	Consolidated financial statements	134
<b>C.5</b>	Notes to the consolidated financial statements	153
<b>C.6</b>	Parent company summary financial statements	201

## C.1 Pro forma

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### C.1.1 2011 statutory comparative basis

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The 2011 Group statutory financial information comprises the results of the former Atos Origin perimeter for the 12 months of 2011 and the acquired scope of the former Siemens IT Solutions and Services for the 6 months period from July 2011 to December 2011.

This financial information is compared to a 2010 pro forma constant scope and exchange rates as if the new Group Atos had been in existence since July 1<sup>st</sup>, 2010, meaning 12 months of 2010 former Atos Origin perimeter (as already released) and 6 months of the acquired scope of the former Siemens IT Solutions and Services for the 6 months period from July 2010 to December 2010.

The information is provided as guidance only and is unaudited. The key assumptions used in the preparation of the information are as follows:

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

Statutory revenue 2011 (12 months Atos and 6 months Siemens IT Solutions and Services as of July 1<sup>st</sup>, 2011) was EUR 6,812 million with the breakdown by Service Line, by GBU, and by market herein below. The corresponding operating margin was EUR 422.4 million representing 6.2 percent of revenue.

### C.1.2 Pro forma 12 months 2011

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Pro forma 12 month revenue 2011 (12 months Atos and 12 months Siemens IT Solutions and Services) was UR 8,511 million with the breakdown by Service Line, by GBU, and by market herein below. The corresponding operating margin was EUR 410 million representing 4.8 percent of revenue.

This pro forma is provided for information purpose only and particularly to reflect mix of businesses (Service Line, GBUs, Markets) on a full year basis but not as comparative basis for analysis purpose.

## C.2 Operational review

### C.2.1 Executive Summary

For the first year of the integration of Siemens IT Solutions and Services, the Group reached statutory revenue of EUR 6,812 million for a scope representing 12 months of former Atos Origin and 6 months of Siemens IT Solutions and Services. This figure represented an organic growth of +0.3 percent after two years of limited decline. Indeed, revenue evolution was -3.7 percent in 2009 and -3.5 percent in 2010 in the context of a difficult macro-economic environment particularly in the cyclical activities.

Year 2011 performance was in line with the Group's full year guidance (around EUR 6.8 billion) provided on July 27<sup>th</sup> 2011 when the first semester results were issued, and confirmed on October 6<sup>th</sup> 2011 at the Investor Day organized by the Company.

Order entry reached EUR 7,040 million. Commercial activity increased principally in Germany, Benelux, France, North America and Latin America, due to new businesses and contract renewals. The Book to Bill ratio stood at 103 percent, compared to 111 percent last year on the former Atos Origin scope.

During the last quarter of the year, the Book to Bill ratio reached 113 percent, allowing a total year statutory Book to Bill above 100 percent as planned.

Operating margin reached EUR 422.4 million or 6.2 percent of revenue. This represented an increase of EUR +1277 million or +190bp compared to previous year at constant scope and exchange rate. The performance exceeded the initial 6 percent guidance provided in February 2011, which was upgraded to 6.2 percent in July 2011.

### C.2.2 Operating performance review

The underlying operating performance on the ongoing business is presented within the operating margin, while unusual, abnormal and infrequent income or expenses (other operating income/expenses) are separately

itemized and presented below the operating margin, in line with the CNC (Conseil National de la Comptabilité) recommendation no. 2009-R-03 (issued on 2 July 2009) regarding the financial statements presentation.

In EUR million	2011	2010	Change	
<b>Statutory scope</b>				
Revenue	6,812	5,021	+1,792	+35.7%
Operating margin	422.4	337.4	+85.0	+25.2%
Operating margin rate	6.2%	6.7%		-0.5 pts
<b>Constant scope</b>				
Revenue	6,812	6,790	+22.9	+0.3%
Operating margin	422.4	294.7	+127.7	+43.3%
Operating margin rate	6.2%	4.3%		+1.9 pts

The details from operating margin to operating income and net income are explained in the financial review.

### C.2.3 Revenue

In 2011 pro forma 12 months, 74 percent of the revenue base was generated by multi-year contracts, deriving from multi-year Managed Services contracts (47 percent of total revenue), Hi-Tech Transactional Services & Specialized Businesses (20 percent of total revenue), and Application Management (7 percent included in Systems Integration).

Europe remained the Group's main operational base, generating 90 percent of total revenue. The integration of Siemens IT Solutions and Services reinforced the

European customer base and resulted also in a larger size of operations in North America.

The Group services and solutions add value across many industry sectors organized through 5 Global Markets which are Manufacturing Retail & Services (MRS), Public Health & Transports (PHT), Financial Services (FS), Telecoms, Media & Technology (TMT), and Energy & Utilities (E&U).

#### C.2.3.1 Organic growth

External revenue in 2011 amounted to EUR 6,812 million, representing an organic growth of +0.3 percent against pro forma revenue of EUR 6,790 million last year (including

6 months of Siemens IT Solutions and Services pro forma revenue and a negative exchange rates impact of EUR -22 million).

In EUR million	Revenue	
<b>2011</b>	<b>6,812</b>	
<b>2010</b>	<b>5,021</b>	
Exchangerates	-22	
Siemens IT Solutions and Services	1,791	
<b>2010 pro forma at constant scope and exchange rates</b>	<b>6,790</b>	
<b>Statutory change</b>	<b>+1,792</b>	<b>+35.7%</b>
<b>Organic change</b>	<b>+23</b>	<b>+0.3%</b>

### C.2.3.2 Exchange rate and scope effect

The following schedule is presenting the impact on pro forma 2010 revenue of exchange rates, impact of the Siemens IT Solutions and Services acquisition and internal

transfers reflecting the Group's new organization implemented on 1 July 2011:

In EUR million	2010	FX rates	Siemens IT Solutions & Services	Internal transfers	2010 CS
Consulting & Technology Services	208	-1	6	394	608
Systems Integration	1,771	-10	514	-468	1,806
Managed Services	1,847	-4	1,097	-99	2,842
HTTS & Specialized Businesses	1,195	-8	174	173	1,533
<b>Total Group</b>	<b>5,021</b>	<b>-22</b>	<b>1,791</b>	<b>0</b>	<b>6,790</b>
Germany	376		678		1,054
CEMA	99	-2		-97	0
France	1,133		10	-121	1,021
UK & Ireland	904	-10	253		1,146
Benelux	938		68		1,006
Atos Worldline	867			36	903
Central & Eastern Europe	0		235	48	283
North America	88	-4	192		276
North & South West Europe	0		217	24	241
Iberia	300		36	-20	315
Other BUs	317	-6	103	130	545
<b>Total Group</b>	<b>5,021</b>	<b>-22</b>	<b>1,791</b>	<b>0</b>	<b>6,790</b>

The internal changes of scope reflected the following items:

- The re-allocation of the former Central Europe Middle East Africa (CEMA) Global Business Unit to the new Global Business Units Central & Eastern Europe (CEE) and North & South West Europe (N&SWE);
- The creation of the Specialized Business Unit Atos Worldgrid (included in Other BUs), regrouping activities around Smart Energy offerings, previously reported in France, Spain and China;
- The transfer of Hi-Tech Transactional Services activities in Asia (formerly included in Other BUs) to Atos Worldline.

By Service Line, the internal scope changes are mainly related to the set-up of "Consulting & Technology Services" and "HTTS & Specialized Businesses", with the transfer of relevant contracts from other Service Lines to these two new lines of activity.

Exchange rate movements resulted in a negative adjustment of EUR -22 million on a comparable year on year basis (on the former Atos Origin scope), mainly from the British pound for EUR -10 million, US dollar and US related currencies for EUR -10 million.

### C.2.3.3 Revenue per quarter evolution

In EUR million	Q1	Q2	Q3	Q4	H1	H2	2011
Revenue 2011	1,228	1,249	2,093	2,243	2,476	4,336	6,812
Revenue 2010	1,244	1,251	2,099	2,196	2,495	4,295	6,790
Organic change	-17	-2	-6	+47	-18	+41	+23
Organic growth	-1.3%	-0.1%	-0.3%	+2.2%	-0.7%	+1.0%	+0.3%

The evolution of the top line shows an accelerating trend during the year with +2.2 percent in Q4 thanks to a higher activity in Managed Services, mainly in the MRS sector.

### C.2.3.4 Revenue by GBU analysis

In EUR million	2011	2010*	Change	
Germany	1,100	1,054	+46	+4.4%
France	991	1,021	-30	-2.9%
UK & Ireland	1,195	1,146	+49	+4.2%
Benelux	942	1,006	-64	-6.3%
Atos Worldline	913	903	+10	+1.2%
Central & Eastern Europe	311	283	+28	+9.8%
North America	304	276	+28	+10.2%
North & South West Europe	224	241	-18	-7.3%
Iberia	314	315	-1	-0.2%
Other BUs	519	545	-26	-4.8%
<b>Total Group</b>	<b>6,812</b>	<b>6,790</b>	<b>+23</b>	<b>+0.3%</b>

\* At constant scope and exchange rate.

#### Germany

Revenue in **Germany** stood at EUR 1,100 million, representing an increase by EUR +46 million or +4.4 percent on last year.

As a result of higher project activity with a major German mobile phone operator as well as additional license sales and software maintenance, Systems Integration revenue showed a +5.4 percent increase on last year. The increase

was partly offset through a ramp down of the application management contract with a large German bank.

Managed Services was up +4.4 percent which is mainly linked to an increase in the revenue with Siemens and the new customer D+S. The increase was partly offset by less revenue from NSN and in Financial Services due to reduced scope and prices.



### United Kingdom & Ireland

Revenue in the **United Kingdom** stood at EUR 1,195 million, representing an increase by EUR +49 million or +4.2 percent on last year.

While Consulting and Systems Integration revenue slightly decreased mainly as a result of delay in orders in the Public Sector and Healthcare and a decline in the Financial Services Market, Managed Services was up +3.5 percent. This is mainly linked to additional projects with the Ministry of Justice related to a large desktop refresh roll-out and network optimization program.

HTTS revenue was up +7.6 percent due to an increase in a number of transactions in the vehicle security inspection contract and in the business of on-line ticketing.

BPO increased by +10.6 percent, with additional volumes on the NS&I account. Medical BPO was broadly flat. Lower activity in the Occupational Health was compensated by revenue derived from the ramp-up of a new regional contract signed with the Department of Work and Pensions in the first quarter of 2011.

### France

Revenue in **France** was EUR 991 million, down -2.9 percent compared to last year. The activity declined in particular in Managed Services with -7.6 percent, where revenue was affected by the ramp-down of contracts and a lack of fertilization in Telecoms & Media and in Financial Services.

Consulting & Technology Services posted an organic growth of +8.9 percent, primarily thanks to Technology Services (+14.5 percent) with an improved utilization rate. Consulting activities declined by -6.4 percent due to phase out of projects mainly in the Public Sector and Telecom business.

In Systems Integration, revenue declined by -4.2 percent, affecting all sectors except Manufacturing, Retail & Services (+5.5 percent). The downturn materialized in particular in Telecoms & Media (-11.4 percent), linked to a reduction in revenue with SFR, and in Public Sector and Healthcare (-5.7 percent) due to the non-renewal of an Application Management contract.

The new management of the GBU France started on October 1<sup>st</sup>, 2011, with the objective to return to profitable growth.

### Benelux

**Benelux** was down by -6.3 percent compared to last year, due to the continued difficult market environment.

Managed Services faced the ramp-down of large contracts such as Philips and NXP, partially compensated by higher revenue in Financial Services (ING, Achmea) and new contracts in the Public sector and with Wolters Kluwer.

Consulting was also affected by a low market demand, entailing a price pressure in the first semester and by utilization rates below expectations during the first three quarters, with stabilization in the fourth quarter.

Technology Services decreased by -9 percent in 2011. The entity was affected by the slowdown in discretionary spending principally in Financial Services and in Manufacturing, Retail & Services sectors.

While Systems Integration remained stable in the Netherlands, showing a good resistance in an adverse market, Belgium posted a strong growth sustained by the ramp-up of contracts with the European Union institutions.

### Atos Worldline

**Atos Worldline** reported revenue of EUR 913 million with an organic growth of +1.2 percent despite the negative trend of Financial Markets in France affected by the prices renegotiation of the LCH contract and the end of development projects. This unit has stabilized its revenue sequentially in the second semester.

Excluding Financial Markets, Atos Worldline grew by more than 3 percent on the full year with a lesser organic growth in the second semester due to the ramp-down of contracts in Payments in Germany and less development project activities in France.

In Belgium, volume grew in the Acquiring business line both in the first and the second semester, and revenue was up +3.4 percent for the full year.

### Central & Eastern Europe

In **Central & Eastern Europe** revenue increased by +9.8 percent. The major geographies contributing to this increase were Austria (EUR +11 million), Poland (EUR +8 million) and Slovakia (EUR +7 million).

Revenue in Systems Integration was up +5.1 percent. The Increase came mainly from the Telecom sector in Austria and in Poland, and from the Public sector mostly with NATO.

Managed Services increased by +15.2 percent, thanks to the activities with Siemens and stronger hardware revenue posted in Slovakia and the Czech Republic.

## C. FINANCIALS

### C.2. Operational review

#### North America

**North America** posted a full year growth of EUR +28 million or +10.2 percent, primarily driven by Managed services, benefiting from the transformation business and fertilization with Siemens. The GBU posted organic growth in the second half of the year thanks to contracts with Microsoft and the ramp-up of new logos in Financial Services.

#### North & South West Europe

In **North & South West Europe** (N&SWE), revenue reached EUR 224 million, down -7.3 percent, mainly due to Switzerland which declined by EUR -150 million. This decrease was due to a pass-through sale in Civil & National Security (EUR -5 million), and a one-time project in Systems Integration (Toll collection services) carried out in 2010 (EUR -15 million). Without these two one-time effects, revenue was stable compared to last year.

In 2011, Managed Services posted an organic growth of +8.4 percent, mainly driven by Finland and Switzerland, benefitting from new outsourcing contracts and additional volumes on existing customers.

Greece continued to suffer from the strained economic situation while Denmark faced a reduction in Public Sector and Defense projects in Systems Integration.

Italy registered a growth of +2.6 percent mainly led by an increase in Systems Integration business.

#### Iberia

In **Iberia**, revenue stabilized in 2011 compared to 2010, at EUR 314 million, with an organic growth in Managed Services (+3.9 percent) and HTTS (+2.9 percent), offsetting a decline in IT cyclical activities.

Systems Integration and Technology Services were primarily impacted by adverse market conditions which continued all along 2011 and materialized in spending cuts mainly in the Public Sector.

Hi-Tech Transactional Services posted revenue growth, reaching EUR 28 million on the back of volume increases in loyalty and card processing business.

Managed Services, representing 14 percent of the activity in Spain, registered an organic growth of +3.9 percent linked to the transformation services delivered to Siemens

and higher volumes of purchase for resale in the last quarter of the year.

#### Other Business Units

In the **Major Events** unit, revenue declined by -8.2 percent compared to 2010 which was an Olympic year with the Vancouver Winter Games and also the Asian games. 2011 revenue was mainly made of services related to the 2012 London Olympic Games and to the Winter Olympic Games of Sochi in 2014.

In **Latin America**, revenue increased by +13.8 percent reaching EUR 144 million, thanks to additional volumes in Managed Services, and to new contracts for HTTS in the Transport sector. This strong growth came mainly from Argentina in e-CS (HTTS business), as well as from Brazil in all Service Lines.

Revenue in **Asia Pacific** stood at EUR 175 million and remained stable in comparison to the prior year. Systems Integration slightly declined by -3.8 percent mainly due to the comparative basis related to the Singapore Youth Olympic Games in 2010. This has been partly offset by the impact of long-term contracts concluded at the end of 2010 in Australia as well as an important SAP activity in Taiwan. Managed Services grew by +1.9 percent primarily in China.

In **India**, the Group is mainly focused on an offshoring activity for the large European countries. The Indian operations are also serving local customers, both in Systems Integration and Managed Services.

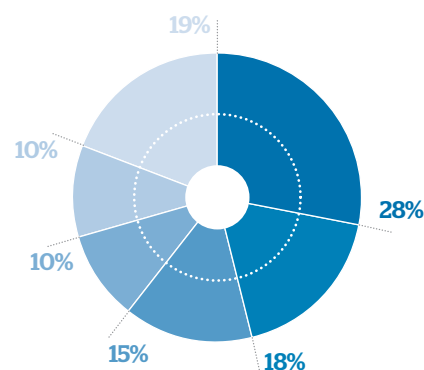
**Atos Worldgrid** revenue reached EUR 121 million in 2011, compared to EUR 141 million in 2010, year that included EUR 30 million of hardware revenue for the Linky ERDF pilot project in France. Restated from this effect, organic growth in sales of services reached +9.0 percent, reflecting a promising market in the area of Energy & Utilities.

### C.2.3.5 Revenue by Service Line analysis

In EUR million	2011	2010*	Change	
Managed Services	2,892	2,842	+50	+1.7%
Systems Integration	1,771	1,806	-36	-2.0%
HTTS & Specialized Businesses	1,562	1,533	+29	+1.9%
Consulting & Technology Services	588	608	-20	-3.3%
<b>Total Group</b>	<b>6,812</b>	<b>6,790</b>	<b>+22</b>	<b>+0.3%</b>

\*At constant scope and exchange rate.

#### Managed Services



In percent & in EUR million

● Germany	28.3%	1,120
● UK & Ireland	17.9%	707
● Benelux	14.5%	574
● France	9.8%	388
● North America	10.4%	413
● Other countries	19.0%	750
Other Business Units	5.6%	221
Central & Eastern Europe	7.1%	282
North & South West Europe	4.9%	192
Iberia	1.4%	55
Atos Worldline	0.0%	0
<b>Total Managed Services</b>	<b>100%</b>	<b>3,952</b>

Based on 2011 12 month pro forma revenue.

**Managed Services** revenue in 2011 was EUR 2,892 million. Revenue increased by +1.7 percent (EUR +50 million).

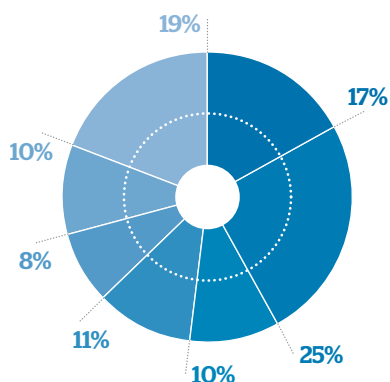
The growth was led by GBUs such as Central & Eastern Europe and North America with a double digit growth as a result of new orders signed during the year. In Germany organic growth was +4.4 percent and +3.5 percent in the United Kingdom. The activity was more difficult in the Netherlands and in France where volumes declined.

In France price competition for low-value-added services led the Group to decide not to renew certain contracts with low profitability. The new Management of GBU France is committed to restore growth in 2012 through higher added value offerings.

During the 4<sup>th</sup> quarter of 2011, revenue in Managed Services grew by +3.6 percent, an acceleration compared to the +0.8 percent for the first nine months of the year.

Further to the acquisition of Siemens IT Solutions and Services, Managed Services represented on a 12 month pro forma basis 47 percent of Group revenue.

**Systems Integration**



*In percent & in EUR million*

● France	17.4%	389
● Germany	24.6%	552
● UK & Ireland	10.2%	229
● Benelux	10.9%	244
● Iberia	7.6%	170
● Central & Eastern Europe	<b>10.6%</b>	<b>237</b>
● Other countries	18.8%	421
Other Business Units	9.4%	211
North & South West Europe	5.5%	124
North America	3.8%	86
<b>Total Systems Integration</b>	<b>100%</b>	<b>2,241</b>

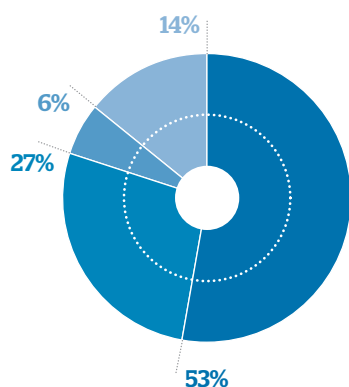
Based on 2011 12 month pro forma revenue.

**Systems Integration** revenue landed at EUR 1,771 million with a slight organic decline of -20 percent, however with stabilized revenue in the fourth quarter year on year. A high level of activity was recorded in GBUs such as Germany, Central & Eastern Europe and Latin America, each of them with revenue growing beyond +5 percent. While the business in Benelux showed resistance thanks to a strict workforce management and therefore grew by +32 percent, France declined by -42 percent further to the reduction of a large project in the Telco sector and the phase-out of an application management contract in the Public Sector.

North & South West Europe declined by -24.2 percent mainly in Switzerland for the Toll collection contract where the main acceptance occurred in 2010, and also in Greece in an adverse market environment. IMEA strongly declined (-30.5 percent) affected by the termination of a large contract in South Africa in the Telco sector.

Further to the acquisition of Siemens IT Solutions and Services, Systems Integration represented on a 12 month pro forma basis 26 percent of Group revenue.

**Hi-Tech Transactional Services & Specialized Businesses**



*In percent & in EUR million*

● Atos Worldline	52.9%	913
● UK & Ireland	27.2%	469
● North & South West Europe	5.7%	99
● Other countries	<b>18.8%</b>	<b>244</b>
Iberia	1.7%	29
Germany	1.6%	28
France	0.7%	11
Other Business Units	9.4%	162
Benelux	0.3%	6
Central & Eastern Europe	0.5%	8
North America	0.0%	0
<b>Total HTTS &amp; SB</b>	<b>100%</b>	<b>1,726</b>

Based on 2011 12 month pro forma revenue.

The **Hi-Tech Transactional Services & Specialized Businesses** posted revenue of EUR 1,562 million, up +1.9 percent. Organic growth was mainly achieved thanks to the UK (+9.5 percent), Atos Worldline (+1.2 percent) and Latin America (+37.8 percent), offsetting Atos Worldgrid and North & South West Europe decreases, respectively

of EUR -20 million (of which EUR 30 million less for the ERDF smart meters) and EUR -4 million due to less hardware revenue for the Swiss Civil & National Security.

The **Hi-Tech Transactional Services** was up +2.8 percent, with a growth in Atos Worldline and also in

the new countries such as the UK (EUR +7 million), Latin America (EUR +7 million), and Benelux (EUR +2 million).

Financial Markets business line decreased by EUR -15 million in Atos Worldline (-18.2 percent) and by EUR -13.5 million for HTTS (-14.0 percent).

Retail and Acquiring Payments activities increased by +3.3 percent, mainly driven by Atos Worldline Belgium through incremental acquiring volume of transactions and the ramp-up of the Indian activities integrated in the second half of last year.

The E-Cs segment posted a stronger growth of +6.5 percent, driven by the UK with EUR +9 million in the transportation sector and by Latin America with EUR +7 million in the Public Health and Transportation market with the ticketing activities derived from Siemens IT Solutions and Services.

**Specialized Businesses** declined by -12.0 percent or EUR -26 million mainly in Atos Worldgrid as well as in North & South West Europe.

Smart Energy, activity primarily led by Atos Worldgrid, declined by -14 percent or EUR -22 million due to large

hardware revenue in 2010 for the ERDF pilot project in France amounting to EUR 30 million. Excluding this effect, this business line registered an organic growth in 2011 of +6.8 percent fueled by additional projects with large customers both in Energy & Utilities.

Revenue in Civil & National Security, mainly serviced in Switzerland, decreased by -7.7 percent or EUR -5 million. This is due to hardware revenue recorded last year that was not repeated. In 2011 a new project started on the communication network for the Swiss National Security.

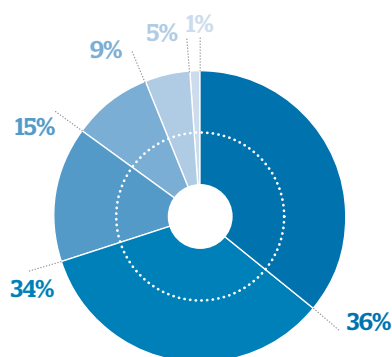
**Business Process Outsourcing (BPO)** was up by +10.6 percent or EUR +24 million year on year:

- The NS&I account (derived from Siemens IT Solutions and Services) increased through higher volumes.
- The start in 2011 of one new region for DWP

During the 4<sup>th</sup> quarter of 2011, revenue in HTTS & Specialized Businesses was up +3.0 percent. For the first nine months of the year revenue growth reached +14 percent.

Further to the acquisition of Siemens IT Solutions and Services, HTTS & Specialized Businesses represented 20 percent of Group revenue on a 12-month pro forma basis.

### Consulting & Technology Services



Based on 2011 12 month pro forma revenue.

**Revenue** was **EUR 588 million**, down **-3.3 percent** compared to 2010.

**Consulting** revenue was EUR 182 million down -9.6 percent coming essentially from the Netherlands (-28 percent) which continued to suffer from tough market conditions and high attrition.

France was also affected mostly by a lower activity in the training support activities, as well as business consulting for the public sector. At the same time, a strong

*In percent & in EUR million*

● France	35.6%	211
● Benelux	34.2%	203
● Iberia	14.9%	88
● UK & Ireland	9.4%	55
● Latin America	5.2%	31
● Other countries	0.8%	5
Other Business Units	0.1%	1
Germany	0.7%	4
<b>Total C &amp; TS</b>	<b>100%</b>	<b>593</b>

performance was posted in Manufacturing & Retail and in Energy & Utilities sectors, where demand remained high throughout the year. In Iberia, the activity strongly progressed with new projects in the Financial Services and in the Public Sector. The UK was back to organic growth in the second semester (+4.0 percent).

**Technology Services** revenue was EUR 405 million in 2011, almost flat compared to prior year, as France's strong organic growth compensated a shortfall in the Netherlands and Spain.

## C. FINANCIALS

### C.2. Operational review

The Netherlands declined by -9.3 percent as a consequence of difficult market conditions impacting most of the sectors. France reached an organic growth of +14.5 percent which was sustained all over the year, particularly in Manufacturing & Retail and Public sectors. Iberia declined by -6.5 percent as a result of the economic environment in the country which affected most of the sectors but more particularly the Finance sector.

During the fourth quarter of 2011, revenue in C&TS was down -1.2 percent, an improvement compared to the -4.3 percent for the first nine months of the year.

Further to the acquisition of Siemens IT Solutions and Services, Consulting & Technology Services represented on a 12 month 2011 pro forma basis 7 percent of Group revenue.

#### C.2.3.6 Revenue by market

Revenue performance by market was as follows:

In EUR million	2011	2010*	Change	
Manufacturing, Retail & Services	2,130	1,982	147	+7.5%
Public Sector, Healthcare & Transport	1,779	1,800	-21	-1.2%
Financial Services	1,408	1,434	-26	-1.8%
Telecoms, Media & Technology	958	989	-31	-3.1%
Energy & Utilities	537	584	-47	-8.1%
<b>Total Group</b>	<b>6,812</b>	<b>6,790</b>	<b>22</b>	<b>+0.3%</b>

\* At constant scope and exchange rate.

#### Manufacturing, Retail & Services

**Manufacturing, Retail, & Services** is the first market with 33 percent of Group total revenue.

Including the Siemens account, MRS revenue increased by +7.5 percent to reach EUR 2,130 million.

Revenue increased in Germany by +11.2 percent or EUR +59 million, thanks to the strong contribution from Siemens in the second half of the year. This is linked to transition and transformation projects that form part of the IT service contract between Atos and Siemens. The two other GBUs in which revenue with Siemens significantly increased were North America and Central & Eastern Europe.

Asia and Latin America significantly increased with a strong organic growth in the automotive sector.

France revenue increased by +5.3 percent thanks to the signature of a new contract in the automotive industry combined with the win of an ERP project for a large French retailer.

Revenue in the United Kingdom increased by +12.2 percent or EUR +15 million thanks to the signature of new transition projects and services in 2011 for Electro-components and Britvic.

Revenue in Benelux was affected by volume decline with customers such as Philips and NXP.

The sector is less concentrated than the other ones with 30 main accounts representing only 58 percent of the revenue for an amount of EUR 1,236 million. Main Customers are Siemens and DSK / RAG in Germany, Renault, EADS and PSA in France, Philips and NXP in the Netherlands.

#### Public Sector, Healthcare & Transport

**Public Sector, Healthcare & Transport** is the second market with 25 percent of revenue. This sector stood at EUR 1,779 million for the total year, down by -1.2 percent. This result was contrasted from one GBU to another.

In the United Kingdom, the Group had a +1.9 percent growth with additional volume with its largest Public customers.

North & South West Europe declined by -25 percent or EUR -26 million, primarily in Switzerland for Defense & Public customers.

Central & Eastern Europe posted a large increase of 11.8 percent or EUR +11 million due to a strong performance in Turkey with NATO and additional sales revenue in Slovakia and Czech Republic.

Atos Worldline grew +8.4 percent or EUR +10 million, driven by additional volumes in France on the speed control contract.

In a context of reduced public spending, Benelux and France have limited the decline, respectively to -3.0 percent and -4.8 percent.

The Top 30 accounts revenue accounted for 62 percent of Public Sector, Healthcare & Transport sector and represented revenue of EUR 1,105 million. More than 50 percent of these customers are based in the UK.

The main customers are the UK Ministry of Justice, the Department of Work & Pensions, the UK Border Agency, the European Union Institutions and the French Ministry of Ecology.

#### Financial Services

The **Financial Services sector** accounted for 20 percent of total Group revenue. This sector stands at EUR 1,408 million for the total year, down by -1.8 percent in organic growth.

North America posted a full year growth of +21.6 percent or EUR +10 million, thanks to new logos in the Financial Services such as the Federal Home Loan Bank.

France revenue contracted by -8.6 percent with large French Banks tightening their IT discretionary spent in the second half of the year.

Revenue grew by +4.3 percent in the UK thanks to increasing volumes with National Savings & Investments (NS&I), and was stable in Benelux.

Revenue from the Top 30 accounts reached EUR 1,013 million representing 72 percent of the sector.

Main customers are ING and Achmea in the Netherlands, BNP Paribas in France, National Savings & Investments (NS&I) in the UK and Deutsche Bank in Germany.

#### Telecoms, Media & Technology

**Telecoms, Media & Technology** represented 15 percent of total Group revenue. This sector stood at EUR 958 million, a reduction of -3.1 percent compared to previous year.

Central & Eastern Europe showed a growth of +20.3 percent thanks to the A1-Telekom project in Austria and incremental services for TPSA (France Telecom subsidiary) in Poland.

The +10.5 percent of organic growth in the UK was mainly driven by a contract with a large media company.

France revenue was down -13.7 percent with the end of a project with SFR and the ramp-down of one contract with a media company.

While revenue was almost flat in Benelux, the activity in Germany was slightly down due to NSN, despite increasing volumes with one large mobile phone operator.

South Africa revenue was severely affected by the end of one contract with the Telco operator MTN. Revenue therefore declined by -5.1 percent or EUR -13 million.

This sector is the most concentrated with revenue from the Top 30 accounts reaching EUR 853 million and representing 89 percent of the sector.

Main customers are KPN in the Netherlands and in Germany, and Nokia Siemens Networks in Germany, France Telecom Orange in France, a major client in Media in the UK, a very large mobile phone operator in the UK and Telecom Italia.

#### Energy & Utilities

The **Energy & Utilities** sector amounted to 7 percent of Group revenue. This sector stood at EUR 537 million, a decrease of -8.1 percent compared to previous year. The market had to cope with the ERDF hardware sales decline of Atos Worldgrid in France as already stated herein above. Moreover Benelux was affected by the ramp-down of the contract with the customer Nuon for an amount of EUR -18.0 million.

On the opposite, the activity in Energy & Utilities grew in GBUs such as Iberia and in North America.

Revenue from the Top 30 accounts reached EUR 456 million representing 85 percent of the sector.

Main customers in this sector are EDF, GDF, Schlumberger and Total in France, and Petrobras in Brazil.



## C.2.4 Portfolio

### C.2.4.1 Order entry and book to bill

Order entry amounted to EUR 4,542 million during the last semester to reach a full year amount of EUR 7,040 million, representing a book to bill ratio at 103 percent.

Order entry & book to bill by **Service Line** was as follows:

In EUR million	Order Entry			Book to bill %		
	H1	H2	FY11	H1	H2	FY11
Consulting & Technology Services	289	268	556	97%	92%	95%
Systems Integration	709	1,148	1,857	109%	103%	105%
Managed Services	839	2,220	3,058	98%	109%	106%
HTTS & Specialized Businesses	661	907	1,568	99%	101%	100%
<b>Group</b>	<b>2,497</b>	<b>4,542</b>	<b>7,040</b>	<b>101%</b>	<b>105%</b>	<b>103%</b>

During the second half of the year, Consulting & Technology Services achieved a 92 percent book to bill, facing a more difficult market environment, particularly in Financial Services and in the Public Sector. For the full year, Book to bill reached 95 percent.

Managed Services reached 106 percent book to bill. This performance is mainly due to the signature in the second half of the year of the following contracts: Bayer (MRS) and Nokia Siemens Networks (TMT) in Germany, a leading French retailer (MRS), a sport goods manufacturer in the US (MRS), Ministry of Justice in the UK (PHT), Achmea (FS) in the Netherlands, and the renewal of a large infrastructure management contract with EDF (E&U) in France.

Systems Integration activities remained dynamic, reaching 105 percent with the signature of application management contracts with Ahold (MRS) in the Netherlands, with the Department for Work and Pensions (PHT) in the UK, and Banque Postale (FS) and the Ministry of Agriculture (PHT) in France; and fixed price projects with a leading insurance (FS) company in North America and with an oil (E&U) company in Germany.

HTTS & Specialized Businesses achieved a 100 percent book to bill. This performance was made of 109 percent for HTTS with the renewal of the speed control contract in France, and of a fare collection contract in LATAM. BPO stood at 65%, the major contracts were renewed in previous year. Finally, the other Specialized Businesses units stood at 88%.



Order entry & book to bill by **Market** was as follows:

In EUR million	Order Entry			Book to bill %		
	H1A0	H2	FY11	H1	H2	FY11
Financial Services	567	690	1,257	100%	82%	89%
Telecoms, Media & Technology	364	648	1,012	108%	104%	106%
Public, Health & Transportation	674	1,285	1,960	97%	118%	110%
Manufacturing, Retail, Services	670	1,530	2,200	107%	102%	103%
Energy & Utilities	222	389	611	88%	136%	114%
<b>Group</b>	<b>2,497</b>	<b>4,542</b>	<b>7,040</b>	<b>101%</b>	<b>105%</b>	<b>103%</b>

#### C.2.4.2 Full backlog

The full backlog stood at EUR 14.1 billion at the end of December 2011 which represented 1.7 year of revenue. Compared to the same period one year ago, it represents

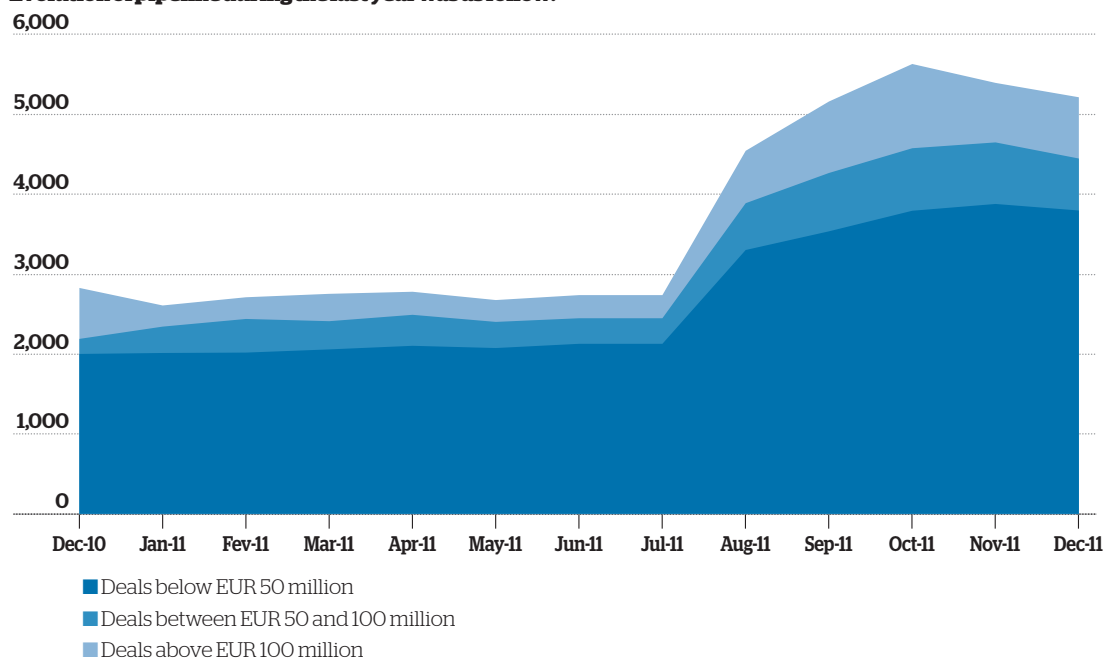
2 additional months of revenue, reflecting a stronger portion of multiyear contracts coming from Siemens IT Solutions and Services, mainly in Managed Services.

### C.2.4.3 Full qualified pipeline

The full qualified pipeline at the end of 2011 was EUR 5.3 billion, representing 74 months of revenue compared to 66 months at the end of 2010, in the prior scope of Atos.

Most of the increase came from Managed Services, from 6 months to 79 months, but also from Systems Integration, from 6.5 months to 7.5 months of revenue.

Evolution of pipeline during the last year was as follow:



At the end of December 2011, deals above EUR 100 million represented 15 percent of the qualified pipeline and deals between EUR 50 million and EUR 100 million represented 13 percent of the total qualified pipeline.

As a comparison, on June 30<sup>th</sup>, 2011, before the Siemens IT Services acquisition, deals above EUR 100 million represented 11 percent of the qualified pipeline and deals between EUR 50 million and EUR 100 million represented 12 percent of the total qualified pipeline.

Indeed, deals above 50 million represented 28 percent compared to 23 percent for the former Atos Origin, reflecting the larger size of the deals operated by the new group Atos. This increase was achieved despite the signatures during the last quarter of the year of large deals such as Bayer in Germany or the renewal of the Speed Control contract for Atos Worldline in France.

### C.2.5 Operating margin performance

**In 2011, operating margin reached EUR 422.4 million**, representing **6.2 percent of revenue** in line with the market guidance confirmed in October 2011.

Considering constant exchange rates effect and Siemens IT Solutions and Services pro forma contribution, organic margin increased by +43 percent representing

EUR +127.7 million over the period. The operating margin rate improved by +190 basis points compared to 4.3 percent achieved the prior year on a pro forma at constant scope and exchange rates basis.

In EUR million		Operating margin	
<b>2011 statutory</b>		<b>422.4</b>	<b>6.2%</b>
<b>2010 statutory</b>		<b>337.4</b>	<b>6.7%</b>
Exchange rates		-2.7	-12.2%
Siemens IT Solutions and Services		-40.0	
2010 pro forma constant scope and exchange rates		294.7	4.3%
<b>Statutory change</b>		<b>+85.0</b>	
<b>Organic change</b>		<b>+127.7</b>	<b>+1.9 pts</b>
			+43.4%

For the purpose of analysis, 2011 should be viewed as two different periods in order to take into account the acquisition of Siemens IT Solutions and Services completed on July 1<sup>st</sup>, 2011:

- During the first half of the year, Atos Origin reached a 6.7 percent operating margin rate, higher than the performance of the same period last year (increase of +70bp) benefiting from the savings generated by the TOP<sup>2</sup> program including strong actions in industrialization, offshoring and indirect costs savings.
- In the second half of the year, on a comparative basis which includes Siemens IT Services for the same period in 2010 (pro forma), the operating margin rate of Atos

improved from 3.4 percent to 5.9 percent. This performance resulted from:

- the remaining impact of the TOP<sup>2</sup> transformation program on the former Atos Origin scope,
- the savings generated by the completion of the direct staff restructuring plan completed by Siemens IT Solutions and Services before the end of June 2011,
- the new commercial conditions on the IT contract with Siemens, including revenue for the transition to the new infrastructure and application platforms,
- actions initiated on the new TOP<sup>2</sup> program generated the first expected savings mainly in the area of support functions.

In EUR million	Q1	Q2	Q3	Q4	H1	H2	2011
Operating Margin 2011	56	110	85	171	166	256	422
Operating Margin 2010	33	116	39	106	150	145	295
Change	+22	-6	+46	+66	+17	+112	+129
Change (%)	<b>+67.5%</b>	<b>-5.1%</b>	<b>+116.4%</b>	<b>+63.0%</b>	<b>+11.1%</b>	<b>+77.5%</b>	<b>+43.7%</b>
Percentage of Revenue in 2011	4.5%	8.8%	4.1%	7.6%	6.7%	5.9%	6.2%
Percentage of Revenue in 2012	2.7%	9.3%	1.9%	4.8%	6.0%	3.4%	4.3%
Percentage of Revenue in 2013	<b>+1.9 pts</b>	<b>-0.5 pts</b>	<b>+2.2 pts</b>	<b>+2.8 pts</b>	<b>+0.7 pts</b>	<b>+2.5 pts</b>	<b>+1.9 pts</b>

### C.2.5.1 From statutory to constant scope

The exchange rates, Siemens IT Services acquisition and internal changes of scope as described in the revenue section, had the following impact on last year:

In EUR million	2010	Fx rates	Siemens IT S&S	Scope	2010 CSER (*)
Consulting & Technology Services	-5	0	2	30	27
Systems Integration	70	-1	-19	-45	6
Managed Services	146	-1	6	-1	151
HTTS & Specialized Businesses	190	-1	4	17	210
Corporate costs	-63	0	-34	-2	-98
<b>Total Group</b>	<b>337</b>	<b>-3</b>	<b>-40</b>	<b>0</b>	<b>295</b>
Germany	14		2		16
CEMA	-3			3	0
France	45		1	-10	36
UK & Ireland	77	-1	5		82
Benelux	92		2		94
Atos Worldline	150			11	162
Central & Eastern Europe	0		5		5
North America	4		-8		-4
North & South West Europe	0		-2	-4	-6
Iberia	-10		1	-2	-10
Other BUs	48	-2	-6	1	41
Global structures (**)	-79		-41		-120
<b>Total Group</b>	<b>337</b>	<b>-3</b>	<b>-40</b>	<b>0</b>	<b>295</b>

(\*) Constant scope and exchange rates.

(\*\*) Central Costs and Global Service Line costs not allocated to GBU.

Exchange rate changes resulted in a negative adjustment of EUR -3 million.

### C.2.5.2 Operating margin by GBU

In EUR million	2011		2010*		Change	
Germany	831	76%	16.0	15%	+671	+6.0 pts
France	19.4	2.0%	35.6	3.5%	-16.2	-1.5 pts
UK & Ireland	79.7	6.7%	81.6	7.1%	-1.9	-0.4 pts
Benelux	70.2	7.4%	94.0	9.3%	-23.8	-1.9 pts
Atos Worldline	157.0	17.2%	161.6	17.9%	-4.6	-0.7 pts
Central & Eastern Europe	29.1	9.4%	4.7	1.6%	+24.4	+7.7 pts
North America	31.5	10.4%	-4.3	-1.6%	+35.8	+11.9 pts
North & South West Europe	16.6	7.4%	-5.5	-2.3%	+22.1	+9.7 pts
Iberia	4.0	1.3%	-10.4	-3.3%	+14.4	+4.6 pts
Other BUs	34.3	6.6%	41.1	7.5%	-6.8	-0.9 pts
Global structures	-102.3	-1.5%	-119.6	-1.8%	+17.3	+0.3 pts
<b>Total Group</b>	<b>422.4</b>	<b>6.2%</b>	<b>294.7</b>	<b>4.3%</b>	<b>+127.7</b>	<b>+1.9 pts</b>

\*Constant scope and exchange rates.

#### Germany

In **Germany**, operating margin stood at 76 percent of revenue compared to 15 percent in 2010. The increase came both from Systems Integration and Managed Services.

In Systems Integration, operating margin stood at 6.4 percent. The improvement was due firstly from cost savings on staff-related restructuring in 2011 for the former Siemens IT Solutions and Services scope, and secondly to a favorable 2010 comparative basis that was hampered by negative one-time provisions in the markets Energy & Utilities and Telco for circa EUR 6 million.

In Managed Services, the operating margin stood at 7.9 percent. This performance resulted from the continued industrialization of the delivery with the implementation of Global factories. These actions allowed a fast margin improvement with a much better level of competitiveness. Finally, on the IT contract provided by the Group to Siemens and which started in July 2011, the new conditions include the billing of transition costs occurring on new platforms.

#### United Kingdom & Ireland

In the **United Kingdom & Ireland**, operating margin stood at 6.7 percent of revenue compared to 7.1 percent in 2010.

Lower revenue in Consulting slightly impacted the operating margin in 2011. A strict and proactive management control on the cost base led to a lower number of headcount which have compensated the decline in the activity.

Systems Integration was down EUR -4.1 million primarily with less project revenue, but also with higher than initially expected costs for specific skilled subcontractors which were necessary to deliver the services contracted in the former Siemens IT Solutions and Services scope.

Managed Services was down deriving primarily from an unfavorable revenue mix in the Public sector due to the cost reduction program initiated by the Government mid-2010, which resulted in less higher-margin fertilization on the existing and new outsourcing contracts.

In BPO, operating margin reached 9.0 percent which represented an increase by +5.6 points. Medical BPO profitability remained stable while financial BPO benefited from additional volumes.

#### France

In **France**, operating margin eroded from 3.5 percent of revenue in 2010 to 2.0 percent in 2011. The improvement in Consulting & Technology Services was not sufficient

## C. FINANCIALS

### C.2. Operational review

to cover the margin decline in Systems Integration and Managed Services.

Operating margin in Consulting & Technology Services was up as a result of strong workforce management and therefore a higher utilization rate.

In Systems Integration operating margin decreased by EUR -8.3 million in 2011, primarily suffering from revenue shortfall, and a decrease also in the R&D tax credit due to a change in regulation.

Managed Services presented a decrease of EUR -9.8 million in operating margin which reached 14 percent of revenue for the full year. This level of profitability resulted from the organic decrease of revenue of -76 percent entailing in the delivery units a level of fixed and staff costs in excess that could not be entirely offset within the short timing of the second half of the year.

The new appointed management team started on October 1<sup>st</sup>, 2011 with the clear objective to generate profitable growth and improve operating margin in 2012 and in 2013.

#### Benelux

In **Benelux**, operating margin stood at 74 percent, despite a tough market environment.

In Consulting, the operating margin suffered from the lack of activity impacting the utilization rate in the first three quarters as well as tariff pressure during the first half of the year.

Regarding Technology services, despite the revenue decrease, the Management was able to almost maintain the 2010 profitability through a strong hiring control and a reduction in the number of subcontractors.

In Systems Integration, margin improved in Belgium. In the Netherlands, adverse market conditions materialized in pressure on tariffs.

In Managed Services, some overruns have been partially compensated during the second half of the year by continuous costs base improvements in the Global factory allowing a more efficient delivery. The margin rate remained at a double digit level.

#### Atos Worldline

Operating margin for **Atos Worldline** stood at EUR 1570 million representing 172 percent of revenue.

The margin improved in Belgium on the back of higher volumes processed in the Retail and acquiring businesses.

France dropped by EUR -6.5 million, caused by declining revenue in Financial Markets, while Asia recorded a one-time charge in Thailand.

In Germany, along with the revenue, margin retreated by EUR -3.9 million with the ramp-down of one transaction processing contract with a German bank.

Atos Worldline continued to mobilize its internal resources in order to roll-out its offerings to new countries such as the Netherlands, Spain and the UK in the course of the HTTS strategy implemented by the Group.

#### Central & Eastern Europe

In **Central & Eastern Europe**, operating margin stood at EUR 291 million or 94 percent of revenue compared to 16 percent in 2010.

Increase in operating margin in Systems Integration by EUR +11.4 million came mainly from overachievement of revenue in the Industry sector, as well as direct staff restructuring completed in the first semester 2011 in the former Siemens IT Solutions and Services perimeter.

Increase in operating margin in Managed Services by EUR +14.0 million was reached thanks to additional revenue on large contracts in the Manufacturing sector, including the new commercial conditions with Siemens.

#### North America

In **North America**, operating margin reached EUR 31.5 million or 10.4%.

In Systems Integration, operating margin increased by EUR +0.6 million, primarily due to a settlement with one large customer which occurred during the first semester and a very tight monitoring on indirect costs.

In Managed Services, operating margin significantly increased with organic volume growth on already existing outsourcing platforms, in particular through up-selling with large customers and transformation business with Siemens. The Service Line also significantly reduced its delivery costs focusing on lean management and cost savings program.

Overall, this GBU has benefited from the combination of three positive effects: a +10.0% revenue growth, a strong restructuring of direct resources implemented by Siemens IT Solutions and Services in the first semester of 2011 and a quick reduction in indirect costs completed by the new Atos management in the second half of 2011.

### North & South West Europe

The operating margin in **North & South West Europe** reached in 2011 EUR 16.6 million, increasing by EUR +22.1 million compared to 2010, where the margin was negative at EUR -5.5 million.

This large improvement of operating margin was the result of the following elements:

- the 2010 comparative basis is reduced by a loss on a manufacturing contract for EUR -70 million in Switzerland,
- the remaining part of the EUR 15.0 million is due to the stabilization of the Greek operations (EUR +3.0 million) after a loss incurred in 2010, the turnaround of the Italian operations based on the direct workforce restructuring implemented by Siemens IT Solutions and Services prior to the closing of the acquisition (EUR +7.0 million), the development of Civil & National Security sales of services in Switzerland (EUR +3.0 million), and finally the implementation of the G&A restructuring plan producing its first effects (EUR +2.0 million).

### Iberia

The operating margin in **Iberia** was up by EUR +14.4 million compared to 2010, reaching a level of EUR 4.0 million or 1.3 percent of revenue compared to -3.3 percent last year. Indeed, 2010 was affected by one-time costs on fixed price projects further to slippage amounting to EUR -170 million, of which EUR -6 million in Consulting and EUR -11 million in Systems Integration.

Managed Services reached a margin of EUR 5.1 million or 11.9 percent of revenue through operational project

### Global Structures Costs

In EUR million	2011		2010*		Change
Global Delivery Lines	-11.9	-0.1%	-21.2	-0.4%	9.3
Global functions	-78.3	-0.9%	-88.2	-1.8%	9.9
Equity based compensation	-12.1	-0.1%	-10.1	-0.2%	-2.0
<b>Global Structures</b>	<b>-102.3</b>	<b>-1.2%</b>	<b>-119.5</b>	<b>-2.1%</b>	<b>-17.2</b>

\*At constant scope and exchange rate.

### Global Delivery Lines

Global Delivery Lines costs (Global Delivery and Global Factory) amounted to EUR -11.9 million in 2011 compared to EUR -21.2 million in 2010 as a result of the continued pressure on expenses resulting from the TOP program and the optimization of Global Delivery activities following the Siemens IT Solutions Services integration.

margin improvement linked to industrialization, lean management and volume increase further to a better competitiveness.

### Other Business Units

In **Asia Pacific**, operating margin stood at 8.0 percent of revenue compared to 5.8 percent in 2010. Margin in Consulting was close to break-even compared to a loss recorded in 2010 due to a provision for bad debt (EUR 2.0 million). At the same time, a strong program was launched in order to optimize the cost base especially in Systems Integration.

**Latin America's** operating margin was at 2.9 percent of revenue, increasing by EUR +2.8 million compared to last year, mainly in Argentina. While operating margin of cyclical activities eroded by respectively EUR -3.0 million and EUR -2.0 million due to revenue shortfall in Technology Services and pressure on tariffs, Managed Services increased by EUR +3.9 million thanks to a strong organic growth. In HTTS, derived from former Siemens IT Solutions and Services scope, operating margin increased by EUR +3.8 million, benefiting from increased revenue in particular on transactional services, in fare collection and e-health projects.

**Atos Worldgrid** operating margin, standing at 3.8 percent of revenue, was hampered in 2011 by one-time costs canceling out profitability improvements in the majority of projects in France and Spain, following a dynamic organic growth.

### Corporate Global Functions

The cost of Global Functions was down by -1.8 percent to EUR 78.3 million in 2011 compared to EUR 88.2 million in 2010. This decrease primarily came from synergies materializing following Siemens IT Solutions and Services integration. The cost of Global Functions benefited as well from the full effects of the TOP<sup>2</sup> program and the implementation of the Activity Value Analysis (AVA) program, in all the corporate functions.

## C. FINANCIALS

### C.2. Operational review

#### Equity based compensation

Equity based compensation costs (stock options, long term incentive plans, management investment plan, and

employee purchase plan) increased from EUR -101 million in 2010 to EUR -121 million in 2011, the majority deriving from prior year stock option programs.

#### C.2.5.3 Operating margin by Service Line

In EUR million	2011		2010*		Delta	
Managed Services	221.2	76%	150.6	5.3%	+70.7	+2.4 pts
Systems Integration	52.3	3.0%	5.7	0.3%	+46.6	+2.6 pts
Consulting & TS	276	4.7%	26.5	4.4%	+11	+0.3 pts
HTTS & SB	211.5	13.5%	210.1	13.7%	+1.5	-0.2 pts
Corporate costs	-90.3	-1.3%	-98.2	-1.4%	+7.9	+0.1 pts
<b>GROUP</b>	<b>422.4</b>	<b>6.2%</b>	<b>294.7</b>	<b>4.3%</b>	<b>+127.7</b>	<b>+1.9 pts</b>

\*At constant scope and exchange rate.

Operating margin in **Consulting & Technology Services** increased to EUR 276 million, representing 4.7 percent of revenue compared to 4.4 percent in 2010. Iberia returned positive at 3.0 percent of revenue and France achieved 5.1 percent of revenue.

Consulting went back to positive Operating Margin in 2011 at 2.2 percent compared to a loss of -2.1 percent last year, which represented an improvement of EUR +8.3 million. The shortfall in revenue has naturally impacted the profitability (main impacts in the Netherlands), but the effects were more than compensated by continued actions on costs optimization and enhancement of the monitoring of activity.

Operating margin in Technology Services decreased overall by EUR -72 million, costs optimization or growth in France not being sufficient to offset the shortfall in activity in the Netherlands.

**Systems Integration**, in the context of a revenue decline of -2.0 percent, saw its operating margin increasing at 3.0 percent of revenue compared to 0.3 percent in 2010. The largest part of the improvement came from Germany and was due firstly to cost savings on staff-related restructuring in 2011 for the former Siemens IT Services scope, and secondly to a favorable 2010 comparative basis that was hampered by negative one-time provisions in the Energy & Utilities and Telco markets for circa EUR 6 million. The utilization rate was 78 percent in 2011.

In 2011, **Managed Services** reported an operating margin of 76 percent (+2.4 points compared to 2010). The profitability was reached through the combination of several actions: the continued industrialization and lean deployment on the former Atos Origin scope, the savings generated by the completion of the direct staff restructuring plan completed by Siemens IT Solutions and Services before the end of June 2011, the new commercial conditions on the IT contract with Siemens, including revenue for the transition and transformation. These actions permitted to overcome negative variations of margin primarily in France as already mentioned.

#### Hi-Tech Transactional Services & Specialized

**Businesses** operating margin reached 13.5 percent, in line with previous year.

The Hi-Tech Transactional Services margin reached 15.5 percent, -1.0 point compared to last year as the Group has decided to invest in the deployment of HTTS offerings in new geographies such as Latin America.

Margin in BPO reached 9.0% with a development of margin both in Medical and Financial BPO, the latter being the consequence of higher transactional revenue. In Specialized Businesses, the operating margin stood at 7.8 percent down EUR -8.3 million compared to last year. This decline was primarily coming from Atos Worldgrid as already mentioned.



### C.2.5.4 Cost base evolution

Taking into account the Siemens IT Solutions and Services acquisition in July 2011, only statutory figures, both for 2011 and 2010 are available and are shown herein below:

In EUR million	2011		2010 Stat.	Change
Personnel Direct	-2,976	43.7%	47.3%	-362 pb
Subcontractors Direct	-975	14.3%	10.8%	+352 pb
Personnel Indirect	-590	8.7%	8.6%	+2 pb
Costs of goods sold	-335	4.9%	3.9%	+97 pb
Non personnel expenses	-1,291	19.0%	18.3%	+69 pb
Non-cash items	-221	3.2%	4.3%	-106 pb
<b>TOTAL</b>	<b>-6,389</b>	<b>93.8%</b>	<b>93.3%</b>	<b>+52 pb</b>
Non personal expenses details				
Travel	-147	2.2%	2.2%	-7 pb
Cars	-90	1.3%	1.6%	-30 pb
Maintenance costs	-303	4.4%	4.4%	+2 pb
Rent & Lease expenses	-248	3.6%	3.9%	-24 pb
Telecom costs	-197	2.9%	2.3%	+60 pb
Communication / Professional fees	-97	1.4%	1.5%	-4 pb
Others expenses	-190	2.8%	2.2%	+55 pb
Taxes & Similar expenses	-20	0.3%	0.1%	+21 pb
	<b>-1,291</b>	<b>19.0%</b>	<b>18.3%</b>	<b>+69 pb</b>
<b>Revenue</b>	<b>6,812</b>			
<b>Operating Margin</b>	<b>422.4</b>	<b>6.2%</b>	<b>6.7%</b>	<b>-52 pb</b>

Considering that the figures herein above are only statutory, it is not relevant to make a comparison between 2011 and 2010 on a constant scope. However, it is noticeable that in 2011, the new Atos has 3.6 points less in Personal direct expenses. Oppositely the expenses for Direct Subcontractors are 3.5 points higher on proportion of revenue.

## C.2.6 Workforce management

### C.2.6.1 Headcount evolution

The total number of Group employees was **73,969** at the end of December 2011 compared to 48,278 at the beginning of the year.

26,895 Siemens IT Services people joined Atos in the second half of the year: 26,571 at July 1<sup>st</sup> 2011 and 324 during the last quarter for the deferred assets contribution.

In 2011, Atos hired 8,273 staff, 95 percent of them being direct staff.

Attrition remained under control in 2011 at 11.6 percent for the total year, with no major difference between the first and the second semester. Attrition was below 10 percent in the large European countries and around 20 percent in the emerging countries such as India, Latin America or Asia.

As planned, dismissals and restructuring represented 2,729 headcount in 2011 with 902 in the first half of the year on

former Atos Origin scope, and 1,827 in the second half on the Atos scope including circa 550 for Siemens IT Services support functions and middle management as part of the restructuring plan for 1,750 staff to be finalized at the end of 2010.

At the end of 2011, the number of direct employees was 66,228 representing 89.5 percent of the total staff, compared to 90.6 percent at the end of 2010 for the former Atos Origin.

Staff in the emerging countries represented more than 20 percent of total staff at the end of December 2011, with half of them located in India.

#### Movements

Movements in headcount over the last two years are the following:

In EUR million	H1-10	H2-10	2010	H1-11	H2-11	2011
<b>Opening</b>	<b>49,036</b>	<b>48,268</b>	<b>49,036</b>	<b>48,278</b>	<b>47,826</b>	<b>48,278</b>
Scope/ Siemens IT Solutions and Services	80	336	416		26,895	26,895
Hiring	2,487	3,397	5,884	3,105	5,168	8,273
Leavers	-2,146	-2,728	-4,874	-2,656	-4,093	-6,749
Dismiss/Other	-463	-268	-731	-442	-906	-1,348
Restructuring	-726	-727	-1,453	-460	-921	-1,381
<b>Closing</b>	<b>48,268</b>	<b>48,278</b>	<b>48,278</b>	<b>47,826</b>	<b>73,969</b>	<b>73,969</b>

### C.2.6.2 Headcount by Business Units and Service Line

The net decrease of 1204 headcount over the year mainly came from countries more impacted by the economic crisis as France, The Netherlands and Spain. The below evolutions include the set up (through transfer of

resources) of the Technology Services and Specialized Businesses Service Lines as well as the creation of the Atos Worldgrid Specialized Business Unit.

	Dec-10	Jun-11	Siemens IT Solutions & Services	Dec-11
Consulting & Technology Services	1,724	6,501	119	7,187
Systems Integration	19,857	15,408	7,874	22,270
Managed Services	14,546	13,625	13,133	25,934
HTTS & Specialized Businesses	7,629	7,904	1,581	10,838
<b>DIRECT</b>	<b>43,756</b>	<b>43,438</b>	<b>22,707</b>	<b>66,228</b>
Germany	2,234	2,201	5,788	7,556
France	10,309	9,566	97	9,763
UK & Ireland	5,723	6,035	2,805	8,955
Benelux	6,122	5,840	507	6,271
Atos Worldline	5,124	5,139	0	5,125
Central & Eastern Europe	685	781	3,233	4,257
North America	542	542	3,156	3,540
North & South West Europe	87	88	1,388	1,417
Iberia	5,159	5,005	235	4,882
Other BUs	7,771	8,241	5,499	14,412
<b>DIRECT</b>	<b>43,756</b>	<b>43,438</b>	<b>22,707</b>	<b>66,228</b>
<b>INDIRECT</b>	<b>4,522</b>	<b>4,388</b>	<b>4,188</b>	<b>7,741</b>
<b>TOTAL GROUPE</b>	<b>48,278</b>	<b>47,826</b>	<b>26,895</b>	<b>73,969</b>

### C.2.6.3 External Subcontractors

The number of direct subcontractors was in the range of 2,500 to 2,800 during the first half of the year and reached the level of 8,484 at the end of 2011 following the integration of Siemens IT Solutions and Services.

This level of subcontractors represented 11.4 percent of productive headcount at the end of December 2011. At the end of 2010, on the former Atos Origin scope only, the figure stood at 5.4 percent. The increase derived mainly from the Siemens IT Solutions and Services scope and will be carefully monitored by the Group.

### C.2.7 2012 objectives

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On 23 February 2012 the Group announced the following objectives for 2012:

#### Revenue

In the current economic environment, the Group expects a **slight revenue organic growth** compared to pro forma 12 months 2011.

#### Operating margin

Thanks to the continued integration of Siemens IT Solutions and Services and the roll out of the TOP<sup>2</sup> Program, the Group has the objective to improve its **operating margin rate to 6.5 percent of revenue** compared to 4.8 percent for pro forma 12 months 2011.

#### Free cash flow

The Group has the ambition to achieve a **free cash flow** of around **EUR 250 million**.

The improvement compared to 2011 statutory is expected from the increase in operating margin and a tougher control on capital expenditure and working capital.

#### Earnings per share (EPS)

The Group forecasts EPS (adjusted, non diluted) in line with the **+50 percent increase** targeted **for 2013** compared to 2011 statutory.

## C.3 Financial review

### C.3.1 Income Statement

The Group reported a net income (attributable to owners of the parent) of EUR 181.6 million for 2011, which represented 2.7% of Group revenues. The normalized net income before unusual, abnormal and infrequent items

(net of tax) for the period was EUR 270.0 million, representing 4.0% of 2011 Group revenues, increasing by +24% compared with previous year.

(in EUR million)	12 months ended 31 December 2011	% Margin	12 months ended 31 December 2010	% Margin
<b>Operating margin</b>	<b>422.4</b>	<b>6.2%</b>	<b>337.4</b>	<b>6.7%</b>
Other operating income / (expenses)	(74.7)		(137.3)	
<b>Operating income</b>	<b>347.7</b>	<b>5.1%</b>	<b>200.1</b>	<b>4.0%</b>
Net financial income / (expenses)	(35.4)		(24.1)	
Tax charge	(129.3)		(57.8)	
Non-controlling interests and associates	(1.4)		(2.1)	
<b>Net income - Attributable to owners of the parent</b>	<b>181.6</b>	<b>2.7%</b>	<b>116.1</b>	<b>2.3%</b>
<b>Normalized net income - Attributable to owners of the parent (*)</b>	<b>270.0</b>	<b>4.0%</b>	<b>218.1</b>	<b>4.3%</b>

(\*) Defined hereafter.

#### C.3.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Under the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is explained in the operational review.

#### C.3.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of EUR 74.7 million in 2011.

The following table presents this amount by nature and destination:

### C.3. Financial review

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Staff reorganization	(56.9)	(64.5)
Rationalization and associated costs	(29.6)	(38.7)
Integration costs	(31.8)	-
Acquisition costs	(13.7)	(9.2)
Customer relationships amortization (PPA)	(18.5)	-
Change in UK pension indexation	76.9	-
Impairment	-	(25.0)
Other items	(1.1)	0.1
<b>Total</b>	<b>(74.7)</b>	<b>(137.3)</b>

The EUR 56.9 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the economic recession and the non-recurring costs induced by the TOP<sup>2</sup> Programs aimed at improving Group efficiency and productivity. The combination of these actions affected mainly The Netherlands for EUR 14.4 million, Iberia for EUR 13.6 million and France for EUR 13.5 million. The reorganization plans concerning former Siemens IT Solutions and Services employees were fully provided for as of June 30<sup>th</sup>, 2011 by the former Siemens IT Solutions and Services entities and had no impact on the income statement.

The EUR 29.6 million **rationalization and associated costs** primarily resulted from office premises rationalization and datacenters consolidation mainly in Benelux for EUR 8.9 million, Germany for EUR 6.1 million, N&SWE for EUR 3.1 million and France for EUR 2.9 million.

The **costs of integration** resulting from the acquisition of Siemens IT Solutions and Services (Siemens IT Solutions and Services) for EUR 31.8 million mostly consisted of:

- Costs of IT infrastructure carve out and homogenization of tools and processes (EUR 15.3 million), and
- Rebranding and communication expenses (EUR 10.6 million).

Costs incurred for the **acquisition** of Siemens IT Solutions and Services amounted to EUR 13.7 million.

An amount of EUR 324.1 million was recognized as **Customer Relationships** related to the value of the customer relationships and backlog brought by Siemens

IT Solutions and Services which was part of the purchase price at acquisition date (PPA: Purchase Price Allocation). This amount is being amortized on a straight line basis over a period of 8.75 years, generating an annual charge of EUR 37.0 million. Therefore, a charge of EUR 18.5 million was recorded for the second half of 2011.

Atos recognized a profit of EUR 76.9 million in other operating income in respect of the change in **future pension indexation** references for its principal pension plans in the UK. Going forward, a significant proportion of UK pensions will be indexed based on Consumer Price Index (CPI) instead of Retail Price Index (RPI), which was previously used. As CPI is expected to provide less pension revaluation than RPI in the long term, estimation of pension liabilities has been reduced accordingly.

The **other items** amounted to an expense of EUR 1.1 million.

In 2010, the « other operating income and expenses » included:

- The Group transformation costs for EUR 103.2 million,
- The impairment expense of EUR 25.0 million recorded on Iberia cash generating unit following a deteriorating economic environment in Spain, and
- The professional fees of EUR 9.2 million related to acquisitions including EUR 7.5 million linked to Siemens IT Solutions and Services and EUR 1.7 million linked to Venture Infotek Global Private Ltd in India.

### C.3.1.3 Net financial expenses

Net financial expense amounted to EUR 35.4 million for the period (compared with EUR 24.1 million last year) and was composed of a net cost of financial debt of EUR 27.8 million and non-operational financial costs of EUR 7.6 million.

Net cost of financial debt was EUR 27.8 million (compared to EUR 17.8 million in 2010), including the following elements:

- The average gross borrowing of EUR 745.0 million bearing an average expense rate of 4.34%, of which:
  - The used portion of the syndicated loan for an average of EUR 279.3 million bearing an effective interest rate of 3.32%, including commitment fees,
  - The convertible bonds issued in October 2009 for an outstanding amount of EUR 220.5 million bearing an effective interest rate of 6.68% (under IFRS),
  - The convertible bonds exclusively subscribed by Siemens at time of the acquisition of Siemens IT Solutions and Services in July 2011 for an outstanding amount of EUR 223.4 million at December 31<sup>st</sup>, 2011 and an average amount of EUR 111.6 million over the period bearing an effective interest rate of 4.35% (under IFRS), and

- Other sources of financing, including securitization, for an average of EUR 133.6 million, bearing an effective interest rate of 2.24 %.

- And the average net cash of EUR 481.8 million bearing an average income rate of 1.03%.

The cost of net debt increase is mainly explained by a higher cost of gross debt which was impacted by:

- Increase of EUR 234.6 million in the amount of the Gross debt (EUR 745.0 million compared to EUR 510.4 million)
- The IFRS finance cost of the new convertible bonds Siemens.

Non-operational financial costs amounted to EUR 7.6 million compared to EUR 6.3 million in 2010 and mainly consisted of pension financial related costs (EUR 11.0 million compared to EUR 6.4 million in 2010). These costs represented the difference between the interest costs and the expected return on plan assets. Please refer to the Note 20 Pensions for further explanations.

### C.3.1.4 Corporate tax

The Group effective tax rate was 41.4% including French CVAE tax for a gross amount of EUR 19.4 million and one-off depreciation of deferred tax assets in France for EUR 34.0

million. Based on normalized net income, the normalized Group effective tax rate was 30.0%. Please refer to the Note 7 Income tax for further explanations.

### C.3.1.5 Non-controlling interests

Non-controlling interests included shareholdings held by joint venture partners and other associates of the Group.

They were mostly located in Austria for EUR 2.5 million of profit.

### C.3.1.6 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was EUR 270.0 million, increasing by 24% in comparison with previous year.

### C.3. Financial review

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Net income - Attributable to owners of the parent</b>	<b>181.6</b>	<b>116.1</b>
Other operating income and expenses	(74.7)	(137)
Tax effect on other operating income and expenses	25.6	32.7
Other unusual items on tax	(39.3)	2.6
<b>Total unusual items - Net of tax</b>	<b>(88.4)</b>	<b>(102.0)</b>
<b>Normalized net income - Attributable to owners of the parent</b>	<b>270.0</b>	<b>218.1</b>

The EUR -39.3 million of other unusual items on tax included mainly the increase of valuation allowance on deferred tax assets in France (EUR -34.0 million).

### C.3.2 Earnings per share

(in EUR million)	12 months ended 31 December 2011	% Margin	12 months ended 31 December 2010	% Margin
<b>Net income - Attributable to owners of the parent [a]</b>	<b>181.6</b>	<b>2.7%</b>	<b>116.1</b>	<b>2.3%</b>
Impact of dilutive instruments	12.2		8.7	
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>193.8</b>	<b>2.8%</b>	<b>124.8</b>	<b>2.5%</b>
<b>Normalized net income - Attributable to owners of the parent [c]</b>	<b>270.0</b>	<b>4.0%</b>	<b>218.1</b>	<b>4.3%</b>
Impact of dilutive instruments	12.2		8.7	
<b>Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]</b>	<b>282.2</b>	<b>4.1%</b>	<b>226.8</b>	<b>4.5%</b>
Average number of shares [e]	76,019,755		69,334,351	
Impact of dilutive instruments	12,170,891		6,614,780	
Diluted average number of shares [f]	88,190,646		75,949,131	
(In EUR)				
<b>Basic EPS [a] / [e]</b>	<b>2.39</b>		<b>1.67</b>	
<b>Diluted EPS [b] / [f]</b>	<b>2.20</b>		<b>1.64</b>	
<b>Normalized basic EPS [c] / [e]</b>	<b>3.55</b>		<b>3.15</b>	
<b>Normalized diluted EPS [d] / [f]</b>	<b>3.20</b>		<b>2.99</b>	



Potential dilutive instruments comprised stock subscription (equivalent to 1,373,989 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that generate a restatement of net income used for the diluted EPS calculation. The EUR 12.2 million restatement corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 9.1 million issued in 2009 and EUR 3.1 million issued in 2011).

Normalized basic and diluted EPS reached respectively EUR 3.55 (EUR 3.15 in 2010) and EUR 3.20 (EUR 2.99 in 2010) and grew over the period by respectively +13% and +7%. Normalized diluted EPS factored the issuance of the 2011 new convertible bonds.

The adjusted non-diluted EPS presented here below constitutes a key indicator used by the Group to measure the efficiency of its management and to communicate on its performance.

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Net income - Attributable to owners of the parent</b>	<b>181.6</b>	<b>116.1</b>
Staff reorganization	(56.9)	(64.5)
Rationalization and associated costs	(29.6)	(38.7)
Customer relationships amortization (PPA)	(18.5)	-
<b>Sub-total</b>	<b>(105.0)</b>	<b>(103.2)</b>
Tax effect with Effective Tax Rate	43.5	33.8
<b>Total adjustments - net of tax</b>	<b>(61.5)</b>	<b>(69.4)</b>
<b>Adjusted net income - Attributable to owners of the parent</b>	<b>243.1</b>	<b>185.5</b>
Average number of shares	76,019,755	69,334,351
<b>Adjusted non diluted EPS</b>	<b>3.20</b>	<b>2.68</b>

\* Purchase Price Allocation.

### C.3.3

#### Cash flow

The Group net debt closed at EUR 141.8 million at the end of December 2011, thus representing a slight negative change in net debt of EUR 2.6 million compared with EUR 139.2 million at the end of December 2010.

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid to

shareholders and net material acquisitions / disposals (with a price exceeding 0.15% of Group revenue), reached EUR 194.4 million compared with EUR 142.8 million achieved in 2010.

### C.3. Financial review

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010 (***)
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>631.5</b>	<b>532.5</b>
Net capital expenditures	(249.0)	(176.2)
Change in working capital requirement	98.3	53.2
<b>Cash from operation (CFO)</b>	<b>480.8</b>	<b>409.5</b>
Taxes paid	(59.5)	(61.5)
Net cost of financial debt paid	(27.8)	(18.4)
Reorganization in other operating income	(70.2)	(99.8)
Rationalization & associated costs in other operating income	(49.0)	(67.8)
Net financial investments (*)	(9.2)	-
Integration costs	(23.6)	-
Acquisition costs	(13.7)	(9.2)
Profit sharing amounts payable transferred to debt	(7.7)	(5.3)
Other changes (**)	(25.7)	(4.7)
<b>Free Cash Flow</b>	<b>194.4</b>	<b>142.8</b>
Net material (acquisitions) / disposals	(189.1)	(142.6)
Capital increase / (decrease)	27.0	-
Dividends paid to owners of the parent	(34.9)	-
<b>Change in net debt (cash)</b>	<b>(2.6)</b>	<b>0.2</b>
<b>Opening net debt</b>	<b>139.2</b>	<b>139.4</b>
<b>Closing net debt</b>	<b>141.8</b>	<b>139.2</b>

(\*) Long term deposits, and acquisitions / disposals with a price not exceeding 0.15% of Group revenue.

(\*\*) Other changes include translation differences, disposal of operational assets, other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests, sale treasury stock & common stock issues and other financial items with cash impact.

(\*\*\*) Net material (acquisitions) / disposals in 2010 concern the acquisition of Venture Infotek Private Ltd (EUR 86.6 million), Shere Ltd (EUR 20.7 million) and the acquisition of non controlling interests of Atos Worldline Processing services in Germany (EUR 35.0 million).

**Cash from Operations (CFO)** amounted to EUR 480.8 million and increased by EUR 71.3 million compared to prior year. This increase resulted from the evolution of the three following components:

- OMDA (EUR +99.0 million),
- Higher net capital expenditures (EUR -72.8 million),
- Change in working capital requirement (EUR +45.1 million).

**OMDA** of EUR 631.5 million, representing an increase of EUR +99.0 million compared to 2010, reached 9.3% of revenue. This growth in OMDA derived from the operating margin improvement.

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Operating margin</b>	<b>422.4</b>	<b>337.4</b>
+ Depreciation of fixed assets	280.3	213.7
+ Net book value of assets sold / written off	2.2	11.6
+ Charge for equity-based compensation	10.5	11.5
+/- Net charge / (release) of pension provisions	(48.2)	(51.5)
+/- Net charge / (release) of provisions excluding release of Siemens IT Solutions and Services opening provisions used	6.6	9.8
- Release of Siemens IT Solutions and Services opening provisions used	(42.3)	-
<b>OMDA</b>	<b>631.5</b>	<b>532.5</b>

NB: the amount of EUR 42.3 million of release of SIS opening provisions corresponded to the losses incurred in former SIS projects during the second semester 2011 and represented a portion of the EUR 140.0 million funded by Siemens on July 1<sup>st</sup>, 2011.

The **net capital expenditures** amounted to EUR 249.0 million or 3.7% of revenue (compared to 3.5 % in 2010) reflecting the evolution of the Group business mix with a higher share of infrastructure outsourcing activities as a consequence of the acquisition of Siemens IT Solutions and Services.

The positive **change in working capital** was EUR 98.3 million (compared to EUR 53.2 million in 2010) when taking into account EUR 155.0 million reflected in the acquisition price in order to compensate for the negative impact of the new payment term applied to former Siemens IT Solutions and Services contracts with the Siemens Group (from zero to 45 days) from July 1<sup>st</sup>, 2011. Excluding this element, the DSO ratio changed from 49 days in 2010 to 54 days at the end December 2011. In the meantime, the DPO varied from 69 days in 2010 to 58 days in 2011.

**Tax paid** at EUR 59.5 million was EUR 2.0 million below prior year.

The **cost of net debt** of EUR 27.8 million increased by EUR 9.4 million compared to 2010 mainly due to a higher cost of gross debt which was impacted by:

- Increase of EUR +234.6 million in the amount of the gross debt (EUR 745.0 million compared to EUR 510.4 million in 2010)
- The effective cost of the new convertible bonds OCEANE attributed to Siemens.

This was partially offset by a better remuneration of the Group average cash from 0.27% in 2010 to 1.03% in 2011.

Cash outflow in relation to **restructuring and rationalization and associated costs** was in line with the plan of the Group and represented EUR 119.2 million compared to EUR 167.6 million in 2010.

**Net financial investments** reached EUR 9.2 million corresponding mainly to the contribution to the incorporation of the following joint ventures:

- Buyster, with French mobile telco operators and Atos Worldline France (EUR 2.6 million), and
- Joint venture with ZTE, a leading Telco operator in China (EUR 4.3 million).

**Other changes** (amounted to a net expense of EUR 25.7 million, mainly related to:

- Other operating expenses excluding reorganization, rationalization and associated costs, integration costs and acquisition costs amounted to an expense of EUR 21.4 million mainly composed of an exceptional recovery payment to the Dutch pension plan (for EUR 14.0 million),
- Negative foreign exchange rate effect for EUR 13.2 million,
- Dividends paid to non-controlling interests for EUR 2.2 million, partially offset by,
- Dividends received from investments in associates for EUR 1.9 million,
- Sale of treasury stock and issuance of common stock for EUR 5.4 million, and
- Other financial income for EUR 5.9 million.

### C.3. Financial review

As a result, the Group free cash flow for year 2011 amounted to EUR 194.4 million, increasing by of EUR 51.6 million compared to prior year.

The net debt impact resulting from the **acquisition** of Siemens IT Solutions and Services closed on July 1<sup>st</sup>, 2011 represented EUR 189.1 million as per the following breakdown:

- Payment in cash to Siemens for EUR 176.6 million,

- Insurance of an OCEANE convertible bond of a nominal value of EUR 250.0 million to the benefit of Siemens. The IFRS value of the convertible booked in the balance sheet was EUR 218.5 million as debt and EUR 31.5 million as equity, and

- Net cash at opening of EUR +206.0 million, excluding the impact for the change in payment terms with Siemens (EUR 155.0 million), recorded in change in working capital.

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Cash Paid	(176.6)	(138.6)
Portion of convertible bonds in financial liability	(218.5)	-
Net cash acquired at opening	206.0	(4.0)
<b>TOTAL</b>	<b>(189.1)</b>	<b>(142.6)</b>

**Capital increase** resulting from the subscription by the employees to the Group shareholding program SPRINT was EUR 270 million.

As per the resolution approved by the shareholders during the Annual General Meeting held on June 1<sup>st</sup>, 2011, the Group paid a **dividend** of EUR 34.9 million to its shareholders.

### C.3.4

#### Financing policy

Atos has implemented a strict financing policy which is reviewed by the Group Audit Committee, with the objective to secure and optimize the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. 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. Following a cautious short term financial policy, the Group did not make any short term cash investment in risky assets.

#### C.3.4.1 Financing structure

Atos' policy is to fully cover 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.

On October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) of EUR 250.0 million maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50%. Effective interest rate calculated based on IAS 39 requirements amounted to 6.68%. There is no financial covenant in respect with the convertible bond.

On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) of EUR 250.0 million reserved for Siemens for the acquisition of Siemens IT Solutions and Services with a maturity July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50% and the effective interest rate calculated in accordance with IAS 39 is 4.35%. There is no financial covenant in respect with the convertible bond.

On April 11<sup>th</sup>, 2011, Atos signed a new five-year revolving credit facility for an amount of EUR 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. The revolving credit facility includes two financial covenants which under the terms are the consolidated

leverage ratio (net debt divided by operating margin before depreciation and amortization) may not be greater than 2.5 times and the consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) which should not be less than 4 times.

Atos securitization program of trade receivables has been renewed for 5 years on March 6<sup>th</sup>, 2009 with a maximum

amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200 million. Financial covenants of the Atos securitization program are aligned with the covenants of the EUR 1.2 billion multi-currency revolving credit facility.

### C.3.4.2 Bank covenants

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The Group was well within its borrowing covenants, with a consolidated leverage ratio (net debt divided by OMDA) of 0.22 at the end of December 2011. The consolidated leverage ratio may not be greater than 2.5 times under the terms of the multi-currency revolving credit facility.

The consolidated interest cover ratio (Operating Margin divided by the net cost of financial debt) was 15.19 in 2011. This ratio was significantly higher than the bank covenant which should not be less than 4 times, throughout the term of the multi-currency revolving credit facility.

### C.3.4.3 Investment policy

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Atos 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.

### C.3.4.4 Hedging policy

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Atos' 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. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury Department.

In November 2011, the Group has hedged the interest rate exposure on the used portion of the credit facility for an amount of EUR 280.0 million. The instruments used were Swap rates maturing in November 2015.

## C.4 Consolidated financial statements

### C.4.1 Statutory Auditors report on the consolidated financial statements for the year ended 31 December 2012

#### To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying consolidated financial statements of Atos S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards 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 (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As specified in "Accounting estimates and judgments" in section C.4.7.3 to the consolidated financial statements, the preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses in the financial statements and disclosures of contingent assets and liabilities. This note specifies that the estimates, assumptions and judgments, which may result in a significant adjustment to the carrying amounts of assets and liabilities within the next financial statements, mainly relate to:

- Goodwills were subject to an impairment test by the company as described in "Business combination and goodwill" in section C.4.7.3 and in the note 11 to the consolidated financial statements. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to determine the values-in-use, especially to review the cash-flow projections for each cash generating units ("CGU") and the actual performance against budget, and on verifying the consistency of assumptions with forecasts from each CGU's financial business plan approved by Management.
- "Revenue recognition" in section C.4.7.3 to consolidated financial statements outlines the methods applied with respect to revenue recognition. Based on the information provided to us, our work consisted on assessing the appropriateness of the information provided in the note mentioned above and on ensuring that the accounting methods and principles are correctly applied. In addition, our work consisted on assessing the reasonableness of the accounting estimates used by Management.
- As specified in "Pensions and similar benefits" in section C.4.7.3 to the consolidated financial statement, the company uses actuarial methods and actuarial assumptions to evaluate the pension commitments. The value of plan assets is measured on the basis of valuations performed by external actuaries and these assets are subject to additional verifications by management if necessary. Based on the information provided to us, our work consisted on assessing the appropriateness of the methodology applied and the data used to assess the pension obligations and the plan

assets valuation, and on verifying the consistency of assumptions used.

- As described in Note 1 to the financial statements, the acquisition of Siemens IT Solutions and Services was recognized in accordance with IFRS 3 revised, as a result, the acquisition price was allocated to the identifiable assets and liabilities of the acquired entities, based on their fair value.
- Accordingly, the company hired an independent appraiser to determine the fair value of an intangible asset relating to the customer relationship and backlog. On the Siemens IT Solutions and Services acquisition date, the company therefore used contract renewal and contract cash flow discount assumptions to assess the business relationship. Our procedures mainly consisted in analyzing the independent appraiser's report, familiarizing ourselves with the measurement data and method used, assessing the appropriateness of the renewal assumptions applied to the contracts provided, and verifying the consistency of the discount rate calculation method with that used for the impairment tests.
- Furthermore, the allocation of the acquisition price to the other identifiable assets and liabilities was determined by the company, bearing in mind that this allocation would be revised should new information be obtained, in the 12 months following the acquisition date, involving facts and

circumstances existing at the acquisition date that could be used to identify potential adjustments, particularly with regard to the accounting entries on UK retirement obligations, the recognition of which was deferred due to the lack of information available to date on the transfer terms and amount. Our work mainly consisted in assessing the methodology implemented and the assumptions on which these estimates were based and reviewing, on a sampling basis, the calculations performed by the company. Based on these procedures, we assessed the reasonableness of such estimates and the appropriateness of the disclosure in the notes.

These assessments were made as part 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

As required by French law, in accordance with professional standards applicable in France, we have also verified the information presented 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, 4 April 2012**

### **The Statutory Auditors**

Deloitte & Associés

Christophe Patrier

Grant Thornton  
*French member of Grant Thornton  
International*

Vincent Frambourt

## C.4. Consolidated financial statements

### C.4.2 Consolidated Income Statement

(in EUR million)	Notes	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Revenue</b>	<b>Note 2</b>	<b>6,812.5</b>	<b>5,020.6</b>
Personnel expenses	Note 3	(3,564.2)	(2,809.5)
Operating expenses	Note 4	(2,825.9)	(1,873.7)
<b>Operating margin</b>		<b>422.4</b>	<b>337.4</b>
<b>% of revenue</b>		<b>6.2%</b>	<b>6.7%</b>
Other operating income and expenses	Note 5	(74.7)	(137.3)
<b>Operating income</b>		<b>347.7</b>	<b>200.1</b>
<b>% of revenue</b>		<b>5.1%</b>	<b>4.0%</b>
Net cost of financial debt		(27.8)	(17.8)
Other financial expenses		(82.3)	(35.1)
Other financial income		74.7	28.8
Net financial income	Note 6	(35.4)	(24.1)
<b>Net income before tax</b>		<b>312.3</b>	<b>176.0</b>
Tax charge	Notes 7-8	(129.3)	(57.8)
Share of net profit/(loss) of associates		(0.2)	-
<b>NET INCOME</b>		<b>182.8</b>	<b>118.2</b>
Of which:			
- attributable to owners of the parent		181.6	116.1
- non-controlling interests	Note 9	1.2	2.1
(in EUR and number of shares)			
<b>Net income - Attributable to owners of the parent</b>	Note 10		
Weighted average number of shares		76,019,755	69,334,351
<b>Basic earnings per share</b>		<b>2.39</b>	<b>1.67</b>
Diluted weighted average number of shares		88,190,646	75,949,131
<b>Diluted earnings per share</b>		<b>2.20</b>	<b>1.64</b>



### C.4.3 Consolidated statement of comprehensive income

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Net income</b>	<b>182.8</b>	<b>118.2</b>
<b>Other comprehensive income</b>		
Cash flow hedging	(6.5)	11
Actuarial gains and losses generated in the period on defined benefit plan	53.9	(105.5)
Exchange differences on translation of foreign operations	(11.0)	51.6
Deferred tax on items recognized directly in equity	(36.8)	23.6
<b>Total other comprehensive income</b>	<b>(0.4)</b>	<b>(29.2)</b>
<b>Total comprehensive income for the period</b>	<b>182.4</b>	<b>89.0</b>
Of which:		
<b>- attributable to owners of the parent</b>	<b>181.7</b>	<b>86.4</b>
- non-controlling interests	<b>0.7</b>	2.6

### C.4.4 Consolidated statement of financial position

(in EUR million)	Notes	31 December 2011	31 December 2010
<b>ASSETS</b>			
Goodwill	Note 11	1,982.2	1,609.9
Intangible assets	Note 12	472.1	76.0
Tangible assets	Note 13	680.2	396.4
Non-current financial assets	Note 14	580.3	230.5
Non-current financial instruments	Note 23	0.1	0.3
Deferred tax assets	Note 8	381.3	321.8
<b>Total non-current assets</b>		<b>4,096.2</b>	<b>2,634.9</b>
Trade accounts and notes receivables	Note 15	1,928.3	1,232.3
Current taxes		17.5	13.0
Other current assets	Note 16	557.2	174.6
Current financial instruments	Note 23	1.1	2.1
Cash and cash equivalents	Note 18	766.8	422.2
<b>Total current assets</b>		<b>3,270.9</b>	<b>1,844.2</b>
<b>Total assets</b>		<b>7,367.1</b>	<b>4,479.1</b>

## C.4. Consolidated financial statements

(in EUR million)	Notes	31 December 2011	31 December 2010
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Common stock		83.6	69.9
Additional paid-in capital		1,766.5	1,333.9
Consolidated retained earnings		403.9	208.4
Translation adjustments		(112.7)	(102.2)
Net income attributable to the owners of the parent		181.6	116.1
Equity attributable to the owners of the parent		2,322.9	1,626.1
Non-controlling interests		6.0	5.4
<b>Total shareholders' equity</b>		<b>2,328.9</b>	<b>1,631.5</b>
Provisions for pensions and similar benefits	Note 20	571.8	501.0
Non-current provisions	Note 21	162.3	96.2
Borrowings	Note 22	734.5	508.6
Deferred tax liabilities	Note 8	244.6	98.5
Non-current financial instruments	Note 23	5.6	1.5
Other non-current liabilities		11.8	13.7
<b>Total non-current liabilities</b>		<b>1,730.6</b>	<b>1,219.5</b>
Trade accounts and notes payables	Note 24	927.2	498.7
Current taxes		76.4	32.6
Current provisions	Note 21	509.7	105.0
Current financial instruments	Note 23	6.2	1.9
Current portion of borrowings	Note 22	174.1	52.7
Other current liabilities	Note 25	1,614.0	937.2
<b>Total current liabilities</b>		<b>3,307.6</b>	<b>1,628.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>7,367.1</b>	<b>4,479.1</b>

## C.4.5 Consolidated cash flow statement

(in EUR million)	Notes	12 months ended 31 <sup>st</sup> December 2011	12 months ended 31 <sup>st</sup> December 2010
<b>Profit before tax</b>		<b>312.3</b>	<b>176.0</b>
Depreciation of assets	Note 4	280.3	213.7
Net charge / (release) to operating provisions		(83.8)	(41.5)
Net charge / (release) to financial provisions		9.0	7.6
Net charge / (release) to other operating provisions		(122.1)	(85.3)
Customer relationships amortization (PPA) *		18.5	
Impairment of long-term assets		-	25.0
Losses / (gains) on disposals of fixed assets		(0.4)	3.9
Net charge for equity-based compensation		10.5	11.6
Losses / (gains) on financial instruments		4.3	0.5
Net cost of financial debt	Note 6	27.8	17.8
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>		<b>456.4</b>	<b>329.3</b>
Taxes paid		(59.5)	(61.5)
Change in working capital requirement		98.3	53.2
<b>Net cash from / (used in) operating activities</b>		<b>495.2</b>	<b>321.0</b>
Payment for tangible and intangible assets		(253.3)	(186.8)
Proceeds from disposals of tangible and intangible assets		4.3	10.6
<b>Net operating investments</b>		<b>(249.0)</b>	<b>(176.2)</b>
Amounts paid for acquisitions and long-term investments		(187.1)	(144.2)
Cash and cash equivalents of companies purchased during the period		216.8	1.8
Proceeds from disposals of financial investments		1.1	5.5
Cash and cash equivalents of companies sold during the period		-	(0.1)
Dividend received from entities consolidated by equity method		1.9	-
<b>Net long-term investments</b>		<b>32.7</b>	<b>(137.0)</b>
<b>Net cash from / (used in) investing activities</b>		<b>(216.3)</b>	<b>(313.2)</b>
Capital increase		27.0	-
Common stock issues on the exercise of equity-based compensation		5.3	4.4
Purchase and sale of treasury stock		0.1	2.9
Dividends paid to owners of the parent		(34.9)	-
Dividends paid to non-controlling interests		(2.2)	(4.5)
New borrowings	Note 22	18.9	45.7
New finance lease	Note 22	0.2	0.5
Repayment of long and medium-term borrowings	Note 22	(19.2)	(48.6)
Net cost of financial debt paid		(15.5)	(5.1)
Other flows related to financing activities	Note 22	59.9	(139.9)
<b>Net cash from / (used in) financing activities</b>		<b>39.6</b>	<b>(144.7)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>		<b>318.5</b>	<b>(136.9)</b>
<b>Opening net cash and cash equivalents</b>		<b>416.5</b>	<b>532.9</b>
Increase / (decrease) in net cash and cash equivalents	Note 22	318.5	(136.9)
Impact of exchange rate fluctuations on cash and cash equivalents		(12.2)	20.5
<b>Closing net cash and cash equivalents</b>	<b>Note 23</b>	<b>722.8</b>	<b>416.5</b>

## C.4. Consolidated financial statements

### C.4.6 Consolidated statement of changes in shareholders' equity

(in EUR million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital
<b>At January 1<sup>st</sup>, 2010</b>	<b>69,720</b>	<b>69.7</b>	<b>1,329.7</b>
* Common stock issued	194	0.2	4.2
* Appropriation of prior period net income			
* Dividends paid to non-controlling interests			
* Equity-based compensation			
* Changes in treasury stock			
* Other			
<b>Transactions with owners</b>	<b>194</b>	<b>0.2</b>	<b>4.2</b>
* Net income			
* Other comprehensive income			
<b>Total comprehensive income for the period</b>			
<b>At December 31<sup>st</sup>, 2010</b>	<b>69,914</b>	<b>69.9</b>	<b>1,333.9</b>
* Common stock issued	13,653	13.7	432.6
* Appropriation of prior period net income			
* Dividends paid to non-controlling interests			
* Equity-based compensation			
* Changes in treasury stock			
* Equity portion of compound instrument			
<b>Transactions with owners</b>			
* Net income			
* Other comprehensive income			
<b>Total comprehensive income for the period</b>			
<b>At December 31<sup>st</sup>, 2011</b>	<b>83,567</b>	<b>83.6</b>	<b>1,766.5</b>

#### C.4. Consolidated financial statements

	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
	<b>302.2</b>	<b>(153.4)</b>	<b>(1.3)</b>	<b>3.9</b>	<b>1,550.8</b>	<b>11.0</b>	<b>1,561.8</b>
					4.4		4.4
	3.9			(3.9)			
						(3.9)	(3.9)
	11.6				11.6		11.6
	2.9				2.9		2.9
	(30.0)				(30.0)	(4.3)	(34.3)
	<b>(11.6)</b>	<b>-</b>	<b>-</b>	<b>(3.9)</b>	<b>(11.1)</b>	<b>(8.2)</b>	<b>(19.3)</b>
				116.1	116.1	2.1	118.2
	(81.5)	51.2	0.6		(29.7)	0.5	(29.2)
	<b>(81.5)</b>	<b>51.2</b>	<b>0.6</b>	<b>116.1</b>	<b>86.4</b>	<b>2.6</b>	<b>89.0</b>
	<b>209.1</b>	<b>(102.2)</b>	<b>(0.7)</b>	<b>116.1</b>	<b>1,626.1</b>	<b>5.4</b>	<b>1,631.5</b>
					446.3		446.3
	116.1			(116.1)	-		-
	(34.9)				(34.9)	(2.4)	(37.3)
	10.5				10.5		10.5
	0.2				0.2		0.2
	20.8				20.8		20.8
	<b>72.2</b>				<b>72.2</b>	<b>2.3</b>	<b>74.5</b>
				181.6	181.6	1.2	182.8
	16.5	(10.5)	(5.9)		0.1	(0.5)	(0.4)
	<b>16.5</b>	<b>(10.5)</b>	<b>(5.9)</b>	<b>181.6</b>	<b>181.7</b>	<b>0.7</b>	<b>182.4</b>
	<b>410.5</b>	<b>(112.7)</b>	<b>(6.6)</b>	<b>181.6</b>	<b>2,322.9</b>	<b>6.0</b>	<b>2,328.9</b>

### C.4.7 Notes to the consolidated financial statements

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#### C.4.7.1 General information

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Atos, the Group's parent company, is a société anonyme (commercial company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Pontoise Register of Commerce and Companies under the reference 323 623 603 RCS Pontoise. Atos shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. The shares are not listed on any other stock exchange and Atos SA is the only listed company in the Group. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31<sup>st</sup>, 2011 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 approved by the Board of Directors on March 29<sup>th</sup>, 2012. These consolidated financial statements will become definitive following their adoption by the Annual General Shareholders' Meeting planned in May 2012.

#### C.4.7.2 2011 highlights

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On July 1<sup>st</sup>, 2011, Atos and Siemens have completed the transaction pursuant to which Atos has acquired Siemens IT Solutions and Services GmbH, the holding company of all Siemens IT activities.

All conditions precedent for this transaction have been completed on that date, the last step was the approval of the transaction by Atos shareholders at the Atos Extraordinary Shareholders meeting.

The July 1<sup>st</sup>, 2011 Atos Extraordinary Shareholders Meeting in particular approved the following resolutions:

- Approval of the contribution by Siemens to Atos of Siemens IT Solutions and Services.
- As consideration for the contribution, Siemens received shares of Atos representing 15% of the share capital of Atos as well as bonds convertible into new or existing shares of Atos representing a total amount of EUR 250,0 million, and a cash payment of EUR 176,6 million.
- Dr. Roland Busch, Member of the Managing Board of Siemens AG, was appointed member of the Board of Directors of Atos.
- The change of company name from Atos Origin to Atos.

#### C.4.7.3 Basis of preparation and significant accounting policies

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##### Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19<sup>th</sup>, 2002, the consolidated financial statements for the twelve months ended December 31<sup>st</sup>, 2011 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31<sup>st</sup>, 2011. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found

at: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm)

As of December 31<sup>st</sup>, 2011, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB) with the exception of certain of IAS 39's hedge accounting requirements have not been endorsed, which has no effect on the Group consolidated financial statements. Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

The following standards, interpretations and amendments to existing standards that have been published are mandatory for the Group's accounting period beginning on or after January 1<sup>st</sup>, 2011:

- IAS 24 (revised) - Related Party Disclosures;
- Amendment to IFRS 1 - Limited Exemption from Comparative IFRS 7 Disclosures for First-time adopters;
- Amendments to IAS 32 - Classification of Rights Issues;
- Amendments to various IFRS statements contained in the Annual Improvements to IFRS, following the IFRS improvement program of May 2010;
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments;
- Amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement.

The impact of the other changes in standards and interpretations on the Group's consolidated financial statements is limited.

The consolidated financial statements do not take into account:

- Draft standards that are still at the exposure draft stage at the International Accounting Standards Board (IASB);
- New standards, interpretations and amendments to existing standards and interpretations not yet approved by the European Union. This notably concerns:
  - IFRS 9 - Financial Instruments (replacement of IAS 39);
  - Amendments to IFRS 1 - Severe Hyperinflation;
  - IFRS 7 - Disclosures: Transfers of Financial Assets;
  - Amendments to IAS 12 - Deferred Taxes: Recovery of Underlying Assets;
  - IFRS 10 - Consolidated Financial Statements;
  - IFRS 11 - Joint Arrangements;
  - IFRS 12 - Disclosure of Interests in Other Entities;
  - IFRS 13 - Fair Value Measurement;
  - IAS 27 (revised) - Separate Financial Statements;
  - IAS 28 (revised) - Investments in Associates and Joint Ventures;
  - Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income;
  - Amendments to IAS 19 - Employee Benefits.

The potential impact of these standards, amendments and interpretations on the consolidated financial statements is currently being assessed.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in EUR millions with one decimal.

The policies set out below have been applied in consistency with all years presented.

### 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 at the closing date. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

#### Goodwill impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates as described in Note 11 Goodwill.

#### Revenue recognition and associated costs on long-term contracts

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

#### Pensions

The Group uses actuarial assumptions and methods to measure pension costs and provisions. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

#### Customer relationships

An intangible asset related to the customer relationships and backlog brought during a business combination is recognized as Customer Relationships. The value of this asset is based on assumptions of renewal conditions of contract and on the discounted flows of these contracts. This asset is amortized on an estimation of its average life.

## C.4. Consolidated financial statements

### Consolidation methods

#### Subsidiaries

Subsidiaries are entities controlled directly or indirectly 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

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and chairman of the Board of Directors who makes strategic decisions.

The internal management reporting is designed on two axes: Global Business Units and Service Lines (Consulting, Systems Integration, Managed Services, HTTS and Business Process Outsourcing). Global Business Units have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A GBU is defined as a geographical area or the aggregation of several geographical areas - except for the Worldline activities which contains one or several countries, without taking into consideration the activities exercised within each country. Each GBU is managed by dedicated members of the Executive Committee.

The measurement policies that the Group uses for segments reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item (refer Note 2 of the financial statements). Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group's headquarters. Shared assets such as the European mainframe are allocated to the GBU where they are physically located even though they are used by several GBU.

### Presentation rules

#### Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations, which can extend beyond 12 months following 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

Should there be assets and liabilities held for sale or discontinued operations, they would be 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 GBU, 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 recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

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 recognized 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 significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations.

### Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the

acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged in the income statement when incurred.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity. The choice of measurement basis is made on a transaction-by-transaction basis.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized through the net income.

### Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

### Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

## C.4. Consolidated financial statements

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGU that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

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 - except for the Worldline activities.

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 recognized 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 pro rata to the other long term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determined in accordance with IFRS 8 Operating segments.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

### 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 IT solutions.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into:

- a research phase, and
- a development phase.

Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete the intangible asset and to use or sell it,
- its ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The customer relationships are valued as per the multi-period excess earning method that consists in summing future operating margins attributable to contracts, after tax and capital employed.

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

### Tangible assets

Tangible assets are recorded at acquisition cost. 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 capitalized 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 amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 recognized 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 charge is recognized when there is objective evidence of a permanent or significant 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 recognized as "items recognized 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 amortized 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.

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 recognizes 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 securitization**

Assets securitization programs, 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 recognized. The transferred assets and the financial liability are valued at their amortized costs.

**Derivative financial instruments**

Derivative instruments are recognized 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 recognized directly in equity". The change in value of the ineffective portion is recognized 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.

## C.4. Consolidated financial statements

### Cash and cash equivalents

Cash and cash equivalent include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized 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 their fair value through profit and loss.

### Treasury stock

Atos 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. Costs relating to defined contribution costs are recognized 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 defined benefit obligation 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 20, 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.

The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation 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. All actuarial gains and losses generated in the period are recognized in "other comprehensive income".

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

### Provisions

Provisions are recognized when:

- The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- The amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

### Borrowings

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

Debt issuance costs are amortized 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.

### Convertible bonds OCEANE (bonds convertible into and/or exchangeable for new or existing shares of Atos)

OCEANE are financial instruments defined as compound financial instruments composed of both a liability and an equity component, which have to be valued and recorded separately.

In order to evaluate the split between the liability and an equity component, the carrying amount of the liability component is first determined by measuring the fair value of a similar liability (including any embedded non-equity derivative features) that does not have an associated equity component. The carrying amount of the equity instrument

represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

### **Non-controlling interests purchase commitments**

Firm or conditional commitments under certain conditions to purchase non-controlling interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of non-controlling interests.

For puts existing before January 1<sup>st</sup>, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance as goodwill. Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in goodwill.

For puts granted after January 1<sup>st</sup>, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance in equity (attributable to owners of the parent). Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in equity (attributable to owners of the parent).

### **Revenue Recognition**

The Group provides Information Technology (IT) and Business Process Outsourcing (BPO) services. Depending on the structure of the contract, revenue is recognized accordingly to the following principles:

#### **Variable or fixed price contracts considerations**

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

Where the outcome of fixed price contracts can be estimated reliably, revenue is recognized using the percentage-of-completion (POC) method. Under the POC method, revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill 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 recognized to the extent of contracts costs incurred that are likely to be recoverable.

Revenue for long-term fixed price is recognized 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 Group 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.

#### **Principal and agent considerations**

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.

#### **Multiple-element arrangements considerations**

The Group may enter into multiple-element arrangements, which may include combinations of different services. Revenue is recognized for the separate elements when these elements are separately identifiable. 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 considerations**

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. Upfront 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**

Transitions costs are either expensed as incurred or recognized in revenue on a POC basis over the transition phase. Only in rare instances where the services rendered during the transition phase cannot be separately identified, costs can be deferred and expensed over the contract term if it can be demonstrated that there are recoverable. Capitalized transition costs are classified in "Trade accounts and notes receivable" of the consolidated balance sheet and amortization expense is recorded in "Operating expenses" in the consolidated income statement.

## C.4. Consolidated financial statements

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

### Operating margin

The underlying operating performance on the ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemized and presented below the operating margin, in line with the CNC (Conseil National de la Comptabilité) recommendation n°2009-R-03 (issued on July 2<sup>nd</sup>, 2009) regarding the financial statements presentation.

### Other operating income and expenses

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

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- Plans directly in relation with operations are classified within the Operating margin;
- Plans related to business combinations or qualified as unusual, infrequent and abnormal are classified in the Operating income;
- If a restructuring plan qualifies for Operating income, the related real estate rationalization & associated costs expenses regarding premises and buildings is also presented in 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, the amortization of the Customer Relationships, 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 compensations 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 recognized 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 recognized 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; and
- 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 recognized in "Personnel expenses" at the end of the subscription period.

The Group has also granted to management and certain employees' free 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. Free 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 recognized 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 recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

#### Earnings per share

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), 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 maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos shares over the period.

#### Related party transactions

Related party transactions include in particular transactions with:

- Persons or a close member of that person's family if that person is a member of the key management personnel of the Group as defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, including members of the Board of Directors, Supervisory Board and Management Board, as well as the Executive Senior Vice Presidents.
- Entities if one of the following conditions apply:
  - The entity is a member of the Group;
  - The entity is a joint venture in which the Group is participating;
  - The entity is a post-employment benefit plan for the benefit of employees of the Group;
  - The entity is controlled or jointly controlled by a person belonging to the key management.

### C.4.7.4 Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Global Treasury Department and involves minimizing 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'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.

#### Interest rate risk

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

## C.4. Consolidated financial statements

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 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 minimize the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Authorized 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 Eurozone and costs and revenues are generally denominated in the same currency.

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.



## C.5 Notes to the consolidated financial statements

### Note 1 Changes in the scope of consolidation

#### Business combination

As of July 1<sup>st</sup>, 2011, Atos acquired from Siemens 100% of Siemens IT Solutions and Services, European based leading IT services provider which offers IT expertise and delivers industry focused end-to-end IT solutions.

The deal has created a new company ranked in the top ten global IT services providers, the new company is a powerful combination of two highly complementary

organizations in matters of geography, business and industry.

Following this acquisition, Siemens became the largest customer of Atos. The following summarizes the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition.

#### Consideration transferred

(In EUR million)	Amount
Initial consideration paid in cash	176.6
Price adjustments in cash	(160.8)
Convertible bonds issued to Siemens	250.0
Atos' shares issued to Siemens	482.4
<b>Total consideration transferred</b>	<b>748.2</b>

#### Convertible bonds

Siemens has received EUR 5.4 million bonds convertible into new or existing shares of Atos representing a nominal amount of EUR 2500 million.

#### Atos Shares

As part of the transaction Atos also issued EUR 12.5 million new ordinary shares in Atos representing 15% of the share capital of Atos, fully paid-up, with a par value of one euro. The fair value of ordinary shares issued was based on the listed share price of the Company at July 1<sup>st</sup>, 2011 of EUR 38.65.

#### Price adjustments

Price adjustments resulting from the application of the deal terms have been agreed by the parties in February 2012 and will be settled in cash in the first quarter of 2012 (refer to Note 28 Subsequent events). Those price adjustments include EUR 300 million of contingent consideration corresponding to doubtful receivables and loss making contract provision which would be reimbursed to Siemens in the unlikely situation where such losses would not occur.

#### Indemnification in respect of representations and warranties given by Siemens

Save for certain exceptions, Siemens has undertaken to indemnify Atos for any individual loss suffered as a result of the breach or inaccuracy of the representations and warranties given, up to a maximum cap of EUR 1000 million and subject to customary limitations including with respect to thresholds and time limits.

#### Indemnification of Atos for certain specific risks

In addition to and irrespective of the representations and warranties given to Atos, as mentioned above, Siemens has agreed to indemnify Atos in respect of certain risks and/or costs, including those specifically described hereafter.

#### Siemens activities outside the scope of the Siemens IT Solutions and Services business

Siemens has agreed to indemnify Atos for all costs or risks relating to the activities of Siemens which are not part of the Siemens IT Solutions and Services Business acquired by Atos.

#### Identified contracts at risk - Projects risks

Siemens has agreed to compensate, subject to certain limitations, Atos for certain risks and losses incurred

## C. Finance

### C.5. Notes to the consolidated financial statements

in respect of four specific commercial contracts entered into by Siemens IT Solutions and Services.

#### Risks arising from other commercial contracts

Siemens has agreed to partially indemnify Atos, subject to certain limitations, in respect of (i) commercial contracts entered into by Siemens IT Solutions and Services that are terminated by a customer as a result of a change of control of Siemens IT Solutions and Services following the contribution or the implementation of the carve-out as well as (ii) certain commercial contracts that are considered at risk of generating losses and are identified

within a period of two years following the closing date as either not having been or not having been properly accounted for in the determination of the cash adjustment agreed on February 23<sup>rd</sup>, 2012.

Siemens' residual liability in respect of this indemnity is capped at a maximum amount of EUR 119.4 million.

#### Certain commercial disputes

Siemens has also given a specific indemnity for the costs to be incurred in respect of certain ongoing commercial disputes of Siemens IT Solutions and Services.

#### Identifiable assets acquired and liabilities assumed at the date of acquisition

(in EUR million)	Amount
Intangible assets	396.5
Tangible assets	309.4
Non-current financial assets	4.5
Deferred tax assets	138.8
Total non-current assets	849.2
Trade accounts and notes receivables	741.5
Current taxes	14.5
Other current assets	412.9
Current financial instruments	31.8
Cash and cash equivalents	248.9
Total current assets	1,449.6
<b>TOTAL ASSETS (A)</b>	<b>2,298.8</b>
Provision for pensions and similar benefits	78.8
Provisions	621.9
Non-current portion of Borrowings	0.7
Deferred tax liabilities	165.8
Other non-current liabilities	26.1
Non-current liabilities	893.3
Trade accounts and notes payables	387.7
Current taxes	5.4
Current financial instruments	0.3
Current portion of borrowings	42.2
Other current liabilities	595.1
Current liabilities	1,030.7
<b>TOTAL LIABILITIES (B)</b>	<b>1,924.0</b>
<b>Fair value of identifiable net assets (A)-(B)</b>	<b>374.8</b>

The valuation of assets acquired and liability assumed at their fair value has resulted in the recognition of new intangible assets, EUR 324.1 million of customer relationships and backlog determined by an independent expert, and the re-measurement of tangible assets and liabilities. This amount is being amortized on a straight line basis over a period of 8.75 years, generating an annual charge of EUR 37.0 million. Therefore, a charge of EUR 18.5 million was recorded for the second half of 2011.

The effects of the combination of the businesses the July 1<sup>st</sup>, 2011 (the mergers of legal entities, the implementation of the Atos transfer policy, staggered annual closing dates and the change of service lines definition) do not allow to provide accurate information in a reasonable delay on

revenue and operating margin of former Siemens IT Solutions and Services entities in the second half of 2011.

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provision that existed at the acquisition date, then the acquisition accounting will be revised. Atos will notably revise the acquisition accounting to reflect the UK pensions which has been postponed once sufficient information on the transfer is available.

#### Preliminary Goodwill

Preliminary goodwill was recognized as a result of the acquisition as follows:

(in EUR million)	Amount
Total consideration transferred	748.2
Fair value of identifiable net assets	(374.8)
<b>Preliminary Goodwill</b>	<b>373.4</b>

The residual goodwill is attributable mainly to the balanced geographical position, Siemens IT Solutions and Services' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating into the Group.

The goodwill arising from this acquisition is not tax deductible.

#### Acquisition-related costs

The Group incurred acquisition-related costs of EUR 13.7 million related in particular to external fees of advisers dedicated to this transaction. These costs have been recognized in "other operating income and expenses" in the Group's consolidated income statement.

#### Net cash outflow on acquisition of subsidiaries

Part of the consideration transferred has been paid in cash and amounted EUR 176.6 million. On July 1<sup>st</sup>, 2011, at the end of the transaction, the net cash and cash equivalents

brought by Siemens IT Solutions and Services were EUR 361.0 million. This amount includes an EUR 155.0 million amount reflected in the acquisition price in order to compensate for the negative impact of the new payment term applied to former Siemens IT Solutions and Services contracts with the Siemens Group (from zero to 45 days) from July 1<sup>st</sup>, 2011. Consequently, the net impact of the net cash and cash equivalents of the acquisition of Siemens IT Solutions and Services is a positive result of EUR 29.4 million.

#### Other acquisitions

The Group has invested EUR 9.2 million into the incorporation mainly of the two following joint ventures:

- Buyster, with French mobile telco operators and Atos Worldline France (EUR 2.6 million), and
- Joint venture with ZTE, a leading Telco operator in China (EUR 4.3 million).

## Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating

decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and chairman of the Board of Directors who makes strategic decisions.

## C. Finance

### C.5. Notes to the consolidated financial statements

Following the acquisition of Siemens IT Solutions and Services, the chief operating maker decided to reorganize as per the operating segments detailed here below:

Operating segments	Activities
Germany	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline) in Germany.
France	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline and Atos Worldgrid) in France.
United Kingdom	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Ireland and the United Kingdom.
& Ireland	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Ireland and the United Kingdom.
Benelux	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline) in Belux and The Netherlands.
Atos Worldline	Hi-Tech Transactional Services & Specialized Businesses in Belgium, China, France, Germany, India, Indonesia, Malaysia, Philippines, Singapore, Taiwan and Thailand.
Central & Eastern Europe	Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Austria, Bulgaria, Croatia, Czech Republic, Poland, Romania, Serbia, Slovakia and Turkey.
North America	Systems Integration, Managed Services in Canada and United States of America.
North & South Western Europe	Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses in Denmark, Finland & Baltics, Greece, Italy, Sweden and Switzerland.
Iberia	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldgrid) in Andorra, Portugal and Spain.
Other countries	Consulting & Technology Services, Systems Integration, Managed Services and Hi-Tech Transactional Services & Specialized Businesses (excluding Atos Worldline) in Argentina, Australia, Brazil, Chile, China, Colombia, Egypt, Hong-Kong, India, Indonesia, Japan, Malaysia, Mexico, Morocco, Philippines, Singapore, South Africa, Taiwan, Thailand, UAE, and also Atos Worldgrid (China, France and Spain) and Major Events activities.

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

The revenues from each external contract amounted to less than 10 per cent of the Group's revenue.

The changes compared to 2010 segments organization are the following:

Operating segments in 2010	Bridge	Operating segments in 2011
GCEMA	Germany	Germany
	Austria, Poland and Turkey	Central & Eastern Europe
	Greece and Switzerland	North & South Western Europe
France	France excluding Atos Worldgrid	France
	Atos Worldgrid France	Other countries
Spain	Andorra and Spain excluding Atos Worldgrid	Iberia
	Atos Worldgrid Spain	Other countries
Other countries	Hi-Tech Transactional Services in China, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand	Atos Worldline
	United States of America	North America
	All "Other countries" but United States of America and the above-mentioned HTTS countries	Other countries

The change in internal management reporting is applied retrospectively and comparative figures are restated.

## C. Finance

### C.5. Notes to the consolidated financial statements

The operating segment information for the periods is as follows:

(in EUR million)	Germany	France	United Kingdom & Ireland	Benelux	Atos Worldline	Central & Eastern Europe
<b>12 months ended 31 December 2011</b>						
<b>External revenue by segment</b>	<b>1,099.6</b>	<b>991.0</b>	<b>1,194.9</b>	<b>942.2</b>	<b>913.1</b>	<b>310.6</b>
%	16.1%	14.5%	17.5%	13.8%	13.4%	4.6%
Inter-segment revenue	74.5	83.2	15.3	43.6	19.8	54.2
Total revenue	1,174.1	1,074.2	1,210.2	985.8	932.9	364.8
<b>Segment operating margin</b>	<b>83.1</b>	<b>19.3</b>	<b>79.7</b>	<b>70.2</b>	<b>157.0</b>	<b>29.1</b>
%	7.6%	1.9%	6.7%	7.4%	17.2%	9.4%
<b>Total segment assets</b>	<b>990.7</b>	<b>625.9</b>	<b>1,003.6</b>	<b>997.5</b>	<b>691.5</b>	<b>338.1</b>
<b>Other information on income statement</b>						
Depreciation of assets	(57.5)	(25.2)	(42.1)	(40.6)	(41.4)	(16.0)
Impairment losses for fixed assets	(0.1)					
Reversal of impairment losses for fixed assets	1.0				0.3	
<b>Other information</b>						
Year end headcount	9,164	10,576	9,667	7,132	5,849	4,814
Capital expenditure	59.0	14.9	37.9	31.8	39.3	10.8
Net debt	(1,053.4)	67.6	245.7	68.9	(43.3)	(30.2)
<b>12 months ended 31 December 2010</b>						
<b>External revenue by segment</b>	<b>375.8</b>	<b>1,073.5</b>	<b>904.1</b>	<b>937.7</b>	<b>902.9</b>	<b>50.7</b>
%	7.5%	21.4%	18.0%	18.7%	18.0%	1.0%
Inter-segment revenue	40.9	62.0	6.7	29.9	17.5	12.2
Total revenue	416.7	1,135.5	910.8	967.6	920.4	62.9
<b>Segment operating margin</b>	<b>13.5</b>	<b>41.5</b>	<b>77.1</b>	<b>92.5</b>	<b>161.5</b>	<b>0.1</b>
%	3.6%	3.9%	8.5%	9.9%	17.9%	0.2%
<b>Total segment assets</b>	<b>237.1</b>	<b>604.4</b>	<b>700.7</b>	<b>782.2</b>	<b>700.1</b>	<b>23.6</b>
<b>Other information on income statement</b>						
Depreciation of fixed assets	(27.3)	(27.1)	(27.7)	(48.9)	(42.0)	(2.9)
Impairment losses for fixed assets	(0.9)				(0.4)	
Reversal of impairment losses for fixed assets	2.5				0.1	
<b>Other information</b>						
Year end headcount	2,550	11,157	6,264	6,958	5,916	747
Capital expenditure	13.0	18.4	36.4	28.3	32.0	2.6
Net debt	(20.3)	51.0	184.9	97.4	(15.1)	3.5

North America	North & South West Europe	Iberia	Other countries	Total Operating segments	Global Delivery Lines	Other Global Structures	Elimination	Total Group
<b>304.0</b>	<b>223.5</b>	<b>314.3</b>	<b>518.9</b>	<b>6,812.1</b>		<b>0.4</b>		<b>6,812.5</b>
4.5%	3.3%	4.6%	7.6%	100.0%				100.0%
13.4	9.8	9.4	145.3	468.5		(9.1)	(459.4)	-
317.4	233.3	323.7	664.2	7,280.6		(8.7)	(459.4)	6,812.5
<b>31.5</b>	<b>16.6</b>	<b>3.9</b>	<b>34.3</b>	<b>524.7</b>		<b>(102.3)</b>		<b>422.4</b>
10.4%	7.4%	1.2%	6.6%	7.7%				6.2%
<b>212.9</b>	<b>243.5</b>	<b>204.1</b>	<b>520.8</b>	<b>5,828.6</b>	-	<b>372.9</b>	-	<b>6,201.5</b>
(11.5)	(9.1)	(3.2)	(24.0)	(270.6)		(10.6)		(281.2)
			(0.8)	(0.9)				(0.9)
				1.3				1.3
3,810	1,681	5,004	15,597	73,294		675		73,969
7.4	8.7	2.6	22.2	234.6		18.7		253.3
(24.0)	(53.1)	31.9	34.1	(755.8)		897.6		141.8
<b>87.6</b>	<b>22.1</b>	<b>299.6</b>	<b>365.8</b>	<b>5,019.8</b>		<b>0.8</b>		<b>5,020.6</b>
1.7%	0.4%	6.0%	7.3%	100.0%				100.0%
14.5	3.9	4.8	98.7	291.1			(291.1)	-
102.1	26.0	304.4	464.5	5,310.9		0.8	(291.1)	5,020.6
<b>3.5</b>	<b>(3.8)</b>	<b>(10.0)</b>	<b>40.6</b>	<b>416.5</b>	<b>(16.3)</b>	<b>(62.8)</b>		<b>337.4</b>
4.0%	(17.2%)	(3.3%)	11.1%	8.3%				6.7%
<b>28.5</b>	<b>39.4</b>	<b>206.6</b>	<b>336.5</b>	<b>3,659.1</b>	-	<b>63.0</b>	-	<b>3,722.1</b>
(4.9)	(0.2)	(2.9)	(23.0)	(206.9)		(6.8)		(213.7)
				(1.3)				(1.3)
				2.6				2.6
60.4	11.6	5,349	8,425	48,086		192		48,278
2.5	0.2	2.6	19.3	155.3		31.5		186.8
(38.8)	(15.2)	49.9	0.5	297.8		(158.6)		139.2

## C. Finance

### C.5. Notes to the consolidated financial statements

The assets detailed above by segment are reconciled to total assets as follows:

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Total segment assets</b>	<b>6,201.5</b>	<b>3,722.1</b>
Tax Assets	398.8	334.8
Cash & Cash Equivalents	766.8	422.2
<b>Total Assets</b>	<b>7,367.1</b>	<b>4,479.1</b>

The Group's revenues from external customers are split into the following service lines:

(in EUR million)	Consulting & Technology Services	Systems Integration	Managed Services	HTTS(*) & Specialized Businesses	Unal- located	Total Group
<b>12 months ended 31 December 2011</b>						
<b>External revenue by segment</b>	<b>587.7</b>	<b>1,770.5</b>	<b>2,891.4</b>	<b>1,562.5</b>	<b>0.4</b>	<b>6,812.5</b>
%	8.6%	26.0%	42.4%	22.9%	0.0%	100.0%
<b>12 months ended 31 December 2010</b>						
<b>External revenue by segment</b>	<b>207.8</b>	<b>1,769.9</b>	<b>1,847.1</b>	<b>1,195.0</b>	<b>0.8</b>	<b>5,020.6</b>
%	4.1%	35.3%	36.8%	23.8%	0.0%	100.0%

(\*) Hi-Tech Transactional Services.

### Note 3 Personnel expenses

(in EUR million)	12 months ended 31 <sup>st</sup> Dec. 2011	% Revenue	12 months ended 31 <sup>st</sup> Dec. 2010	% Revenue
Wages and salaries	(2,772.0)	40.7%	(2,160.9)	43.0%
Social security charges	(766.7)	11.3%	(635.7)	12.7%
Tax, training, profit-sharing	(66.5)	1.0%	(52.8)	1.1%
Equity-based compensation	(10.5)	0.2%	(11.5)	0.2%
Net (charge)/release to provisions for staff expenses	3.3	0.0%	(0.1)	0.0%
Difference between pension contributions and net pension expense (*)	48.2	(0.7%)	51.5	(1.0%)
<b>Total</b>	<b>(3,564.2)</b>	<b>52.3%</b>	<b>(2,809.5)</b>	<b>56.0%</b>

(\*) Difference between total cash contributions made to the pensions funds and the net pension expense under IAS19.

#### Equity-based compensation

The EUR 10.5 million charges recorded within operating margin for equity based compensation (EUR 11.5 million in 2010) is made of:

- EUR 5.3 million related to the stock option plans granted in previous years,

- EUR 4.3 million related to the Group shareholding program SPRINT implemented in November 2011,
- EUR 0.6 million related to the Management Incentive Plans (MIP) and Long-Term Incentive plans (LTI) implemented in 2008 and in 2007, and of,



- EUR 0.3 million related to a new share grant plan set-up in December 22<sup>nd</sup>, 2011.

#### Stock option plans

The Group recognized a total expense of EUR 5.3 million on stock options (EUR 8.9 million in 2010) detailed as follows:

Date of grant	2011 expense (in EUR million)	Number of shares initially granted
23 December 2008	0.6	1,378,000
26 March 2009	1.2	1,850,000
3 July 2009	1.2	1,443,500
4 September 2009	0.3	259,000
31 December 2010	2.0	374,500
<b>TOTAL</b>	<b>5.3</b>	<b>5,305,000</b>

Details of share options outstanding at the end of year were as follows:

	12 months ended 31 <sup>st</sup> Dec. 2011		12 months ended 31 <sup>st</sup> Dec. 2010	
	Number of share	Weighted average strike price	Number of share	Weighted average strike price
<b>Outstanding at the beginning of the year</b>	<b>9,447,800</b>	<b>41.3</b>	<b>10,310,776</b>	<b>43.3</b>
Granted during the year	-	-	374,500	48.8
Forfeited during the year	(162,445)	31.2	(244,386)	29.3
Exercised during the year	(219,070)	23.9	(193,615)	22.6
Expired during the year	(565,050)	79.1	(769,475)	79.1
<b>Outstanding at the end of the year</b>	<b>8,531,235</b>	<b>39.5</b>	<b>9,477,800</b>	<b>41.3</b>
<b>Exercisable at the end of the year, below year-end stock price (*)</b>	<b>2,860,202</b>	<b>23.6</b>	<b>1,839,051</b>	<b>23.2</b>

(\*) Year-end stock price: EUR 33.91 at 31 December 2011 and EUR 39.84 at 31 December 2010.

Options outstanding at the end of the year have a weighted average remaining contractual life of 5.2 years (2010: 6.0 years).

#### Employee Share Purchase Plan (SPRINT)

Employee Share Purchase Plan called SPRINT was open to employees throughout the Group. The plan offers eligible employees two formulas:

- 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, and
- the SPRINT secure formula: the leveraged structure implemented with a bank allows the employee to receive after the five-year lock-up period the highest of the initial investment increased by a 2% of interest 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 950,468 shares at a reference share price of EUR 35.35 (before the 20% discount application). 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 five-year lock-up period restriction calculated based on the following parameters:

- Risk free interest rate: 1.7%
- Credit spread: 5.2%
- Borrowing-lending spread: 1.5%

## C. Finance

### C.5. Notes to the consolidated financial statements

#### Share grant plan linked to Group performance

On December 22<sup>nd</sup>, 2011, the Group has set-up a new share

grant plan whereby 991,050 shares were granted with the following actuarial parameters:

	31 December 2011			
	French plan		Foreign plan	
Vesting Date	22 Dec. 2013	17 Mar. 2014	22 Dec. 2015	17 Mar. 2016
Share price at grant date	33.335	33.335	33.335	33.335
Expected life	24.00 months	26.76 months	48.00 months	50.76 months
Risk free interest rate	1.94%	1.94%	-	-
Borrowing-lending spread	1.50%	1.50%	-	-
Expected dividend yield	1.0%	1.0%	1.0%	1.0%
Expected employee turnover	5% per year	5% per year	5% per year	5% per year
<b>Fair value of options granted</b>	<b>28.52</b>	<b>28.11</b>	<b>26.09</b>	<b>25.71</b>

Following the 2007 French social security regulation (Loi pour le financement de la Sécurité Sociale),

to EUR 16 million expense as a social charge has been recorded in 2011 related to the French plans.

Total expense in operating margin related to free share plans during the year was the following:

(In EUR million)	Year ended 31 December 2011	Year ended 31 December 2010
Plan 2011	0.3	-
LTI 2008	0.2	0.5
MIP 2008	0.2	1.5
LTI 2007	0.1	0.3
MIP 2007	0.1	0.3
<b>Total</b>	<b>0.9</b>	<b>2.6</b>

### Note 4 Operating expenses

(In EUR million)	12 months ended 31 December 2011	% Revenue	12 months ended 31 December 2010	% Revenue
Subcontracting costs direct	(974.1)	14.3%	(542.0)	10.8%
Purchase hardware and software	(334.9)	4.9%	(197.8)	3.9%
Maintenance costs	(302.7)	4.4%	(222.1)	4.4%
Rent & Lease expenses	(248.2)	3.6%	(194.9)	3.9%
Telecom costs	(197.4)	2.9%	(117.7)	2.3%
Traveling expenses	(147.4)	2.2%	(112.1)	2.2%
Company cars	(89.6)	1.3%	(80.9)	1.6%
Professional fees	(150.5)	2.2%	(98.2)	2.0%
Taxes & Similar expenses	(19.9)	0.3%	(4.2)	0.1%
Others expenses	(136.7)	2.0%	(86.6)	1.7%
<b>Subtotal expenses</b>	<b>(2,601.4)</b>	<b>38.2%</b>	<b>(1,656.5)</b>	<b>33.0%</b>
Depreciation of fixed assets	(280.3)	4.1%	(213.7)	4.3%
Net (charge) / release to provisions	49.3	(0.7%)	(3.8)	0.1%
Gains / (Losses) on disposal of assets	(0.8)	0.0%	(1.0)	0.0%
Trade Receivables write-off	(15.9)	0.2%	(18.8)	0.4%
Capitalized Production	23.2	(0.3%)	20.1	(0.4%)
<b>Subtotal other expenses</b>	<b>(224.5)</b>	<b>3.3%</b>	<b>(217.2)</b>	<b>4.3%</b>
<b>Total</b>	<b>(2,825.9)</b>	<b>41.5%</b>	<b>(1,873.7)</b>	<b>37.3%</b>

### Note 5 Other operating income and expenses

Other operating income and expenses related to income and expenses that are unusual, abnormal and infrequent

and represented a net expense of EUR 74.7 million in 2011. The following table presents this amount by nature:

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Staff reorganization	(56.9)	(64.5)
Rationalization and associated costs	(29.6)	(38.7)
Integration costs	(31.8)	-
Acquisition costs	(13.7)	(9.2)
Customer relationships amortization (PPA)*	(18.5)	-
Change in UK pension indexation	76.9	-
Impairment	-	(25.0)
Other items	(1.1)	0.1
<b>Total</b>	<b>(74.7)</b>	<b>(137.3)</b>

\*Purchase Price Allocation.

## C. Finance

### C.5. Notes to the consolidated financial statements

The EUR 56.9 million **staff reorganization** expense was the consequence of both the Group workforce adaptation to the effects of the economic recession and the non-recurring costs induced by the TOP Programs aimed at improving Group efficiency and productivity. The combination of these actions affected mainly The Netherlands for EUR 14.4 million, Iberia for EUR 13.6 million and France for EUR 13.5 million. The reorganization plans concerning former Siemens IT Solutions and Services employees were fully provided for as of June 30<sup>th</sup>, 2011 by the former Siemens IT Solutions and Services entities and had no impact on the income statement.

The EUR 296 million **rationalization and associated costs** primarily resulted from office premises rationalization and datacenters consolidation mainly in Benelux for EUR 8.9 million, Germany for EUR 6.1 million, N&SWE for EUR 3.1 million and France for EUR 2.9 million.

The **costs of integration** resulting from the acquisition of Siemens IT Solutions and Services (SIS) for EUR 31.8 million mostly consisted of:

- Costs of IT infrastructure carve out and homogenization of tools and processes (EUR 15.3 million), and
- Rebranding and communication expenses (EUR 10.6 million).

Costs incurred for the **acquisition** of Siemens IT Solutions and Services amounted to EUR 13.7 million.

An amount of EUR 324.1 million was recognized as **Customer Relationships** related to the value of

the customer relationships and backlog brought by Siemens IT Solutions and Services which was part of the purchase price at acquisition date (PPA: Purchase Price Allocation). This amount is being amortized on a straight line basis over a period of 8.75 years, generating an annual charge of EUR 37.0 million. Therefore, a charge of EUR 18.5 million was recorded for the second half of 2011.

Atos recognized a positive result of EUR 76.9 million in other operating income in respect of the change in **future pension indexation** references for its principal pension plans in the UK. Going forward, a significant proportion of UK pensions will be indexed based on Consumer Price Index (CPI) instead of Retail Price Index (RPI), which was previously used. As CPI is expected to provide less pension revaluation than RPI in the long term, estimation of pension liabilities has been reduced accordingly.

The **other items** amounted to an expense of EUR 1.1 million.

In 2010, the "other operating income and expenses" included:

- The Group transformation costs for EUR 103.2 million,
- The impairment expense of EUR 25.0 million recorded on Iberia cash generating unit following a deteriorating economic environment in Spain, and
- The professional fees of EUR 9.2 million related to acquisitions including EUR 7.5 million linked to Siemens IT Solutions and Services and EUR 1.7 million linked to Venture Infotek Global Private Ltd in India.

## Note 6 Net financial income

### Net cost of financial debt

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Net interest expenses</b>	<b>(29.1)</b>	<b>(18.4)</b>
Interest on obligations under finance leases	(0.2)	(0.2)
Gain/(loss) on disposal of cash equivalents	1.5	0.8
<b>Net cost of financial debt</b>	<b>(27.8)</b>	<b>(17.8)</b>

Net cost of financial debt was EUR 278 million (compared to EUR 178 million in 2010), including the following elements:

- The average gross borrowing of EUR 745.0 million bearing an average expense rate of 4.34%, of which:
  - The used portion of the syndicated loan for an average of EUR 279.3 million bearing an effective interest rate of 3.32%, including commitment fees,
  - The convertible bonds issued in October 2009 for an outstanding amount of EUR 220.5 million bearing an effective interest rate of 6.68% (under IFRS),
  - The convertible bonds exclusively subscribed by Siemens at time of the acquisition of Siemens IT Solutions and Services in July 2011 for an outstanding amount of EUR 223.4 million at December 31<sup>st</sup>, 2011 and an average amount of EUR 111.6 million over the period bearing an effective interest rate of 4.35% (under IFRS), and
  - Other sources of financing, including securitization, for an average of EUR 133.6 million, bearing an effective interest rate of 2.24%.

- And the average net cash of EUR 481.8 million bearing an average income rate of 1.03%.

The cost of net debt increase is mainly explained by a higher cost of gross debt which was impacted by:

- Increase of EUR 234.6 million in the amount of the Gross debt (EUR 745.0 million compared to EUR 510.4 million)
- The IFRS finance cost of the new convertible bonds Siemens.

This has been partially offset by a better remuneration of the Group average cash from 0.27% in 2010 to 1.03% in 2011. The net cost of financial debt was covered 15.19 times by operating margin, which met the requirement defined under the terms of Group syndicated loan contract: operating margin amount should be higher than four times the net cost of financial debt.

#### Other financial income and expenses

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Foreign exchange income / (expenses)	8.1	2.0
Fair value gain/(loss) on forward exchange contracts held for trading	(0.1)	(1.6)
Discounting financial income / (expenses)	(0.5)	(0.5)
Other income / (expenses)	(15.1)	(6.2)
<b>Other financial income and expenses</b>	<b>(7.6)</b>	<b>(6.3)</b>
Of which:		
- other financial expenses	(82.3)	(35.1)
- other financial income	74.7	28.8

Non-operational financial costs amounted to EUR 76 million compared to EUR 6.3 million in 2010 and mainly composed of pension financial related costs (EUR 11.0 million). These costs represent the difference

between the interests cost and the expected return on plan assets (EUR 6.4 million expense in 2010). Please refer to Note 20 Pensions for further explanation.

## Note 7 - Income tax expenses

### Current and deferred taxes

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Current taxes	(112.8)	(55.2)
Deferred taxes	(16.5)	(2.6)
<b>Total</b>	<b>(129.3)</b>	<b>(57.8)</b>

### Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Profit before tax	312.3	176.0
French standard tax rate	36.1%	34.4%
<b>Theoretical tax charge at French standard rate</b>	<b>(112.7)</b>	<b>(60.6)</b>
Impact of permanent differences	(3.4)	(1.0)
Differences in foreign tax rates	35.6	19.0
Unrecognized tax assets	(26.6)	(2.5)
Goodwill impairment	-	(7.5)
Change in deferred tax rates	(9.9)	(3.0)
Withholding taxes	(10.6)	(4.6)
CVAE net of tax	(12.7)	(11.9)
French Tax credit	8.5	8.5
Other	2.5	5.8
<b>Group tax expense</b>	<b>(129.3)</b>	<b>(57.8)</b>
<b>Effective tax rate</b>	<b>41.4%</b>	<b>32.8%</b>
<i>Effective tax rate excluding CVAE</i>	<i>37.5%</i>	<i>25.4%</i>

In 2009, the Group decided to qualify the French CVAE (Cotisation sur la Valeur Ajoutée des Entreprises), part of the new CET (Contribution Economique Territoriale) set up by the 2010 Finance Bill, as an Income tax in line with the accounting treatment followed for similar taxes in other countries.

The 2011 Group effective tax rate was 41.4%, which included the French CVAE for a gross amount of EUR 19.4 million. Excluding CVAE, the Group effective tax rate was 37.5%.

Due to new limitations introduced in 2011, tax reforms for the use of tax losses carried forward, the Group prudently increased its valuation allowances on deferred tax assets in France (EUR 34.0 million) which are included on the "Unrecognized tax assets" line in the above table.

Excluding this exceptional depreciation, the ETR 2011 was 30.5%.

The line "Other" (EUR 2.5 million) includes in particular the permanent difference arising from tax holidays benefits.

**Restated effective tax rate**

(in EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Profit before tax</b>	<b>312.3</b>	<b>176.0</b>
Other operating income and expenses	(74.7)	(137.3)
<b>Profit before tax excluding unusual items</b>	<b>387.0</b>	<b>313.3</b>
Tax effect on other operating income and expenses	25.6	32.7
Other unusual items on tax	(39.3)	2.6
Group tax expense	(129.3)	(57.8)
<b>Total of tax excluding unusual items</b>	<b>(115.6)</b>	<b>(93.1)</b>
<b>Restated effective tax rate</b>	<b>29.9%</b>	<b>29.7%</b>

After restating the unusual items, the restated profit before tax was EUR 387.0 million, the restated tax charge was EUR 115.6 million and the restated effective tax rate was 29.9%.

The EUR -39.3 million of other unusual items on tax included mainly the increase of valuation allowance on deferred tax assets in France (EUR -34.0 million).

**Note 8 Deferred taxes**

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Deferred tax assets	381.3	321.8
Deferred tax liabilities	244.6	98.5
<b>Net deferred tax</b>	<b>136.7</b>	<b>223.3</b>

**Breakdown of deferred tax assets and liabilities by nature**

(In EUR million)	Tax losses carry forward	Customer relationship	Fixed assets	Pensions	Other	Total
<b>At 1 January 2010</b>	<b>58.2</b>	-	<b>45.1</b>	<b>56.3</b>	<b>26.4</b>	<b>186.0</b>
Charge to profit or loss for the year	15.2	-	(2.3)	(19.9)	4.4	<b>(2.6)</b>
Charge to goodwill	0.6	-	2.1	-	1.5	<b>4.2</b>
Charge to equity	-	-	-	25.3	(0.7)	<b>24.6</b>
Reclassification	-	-	-	(2.6)	3.0	<b>0.4</b>
Exchange differences	0.7	-	2.5	4.7	2.8	<b>10.7</b>
<b>At 31 December 2010</b>	<b>74.7</b>	-	<b>47.4</b>	<b>63.8</b>	<b>37.4</b>	<b>223.3</b>
Charge to profit or loss for the year	(7.0)	5.7	6.0	(26.3)	5.1	<b>(16.5)</b>
Charge to goodwill	74.8	(99.2)	3.5	25.2	(31.5)	<b>(27.2)</b>
Charge to equity	(0.1)	-	-	(37.7)	(10.4)	<b>(48.2)</b>
Reclassification	6.9	-	-	0.7	(8.0)	<b>(0.4)</b>
Exchange differences	4.4	0.4	2.9	0.1	(2.1)	<b>5.7</b>
<b>At 31 December 2011</b>	<b>153.7</b>	<b>(93.1)</b>	<b>59.8</b>	<b>25.8</b>	<b>(9.5)</b>	<b>136.7</b>

**Tax losses carry forward schedule (basis)**

(In EUR million)	12 months ended 31 December 2011			12 months ended 31 December 2010		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2011	-	-	-	-	8.8	8.8
2012	0.9	8.4	9.3	-	-	-
2013	2.8	2.5	5.3	-	3.3	3.3
2014	45.0	14.2	59.2	3.4	10.1	13.6
2015	19	2.6	4.5	-	-	-
<b>Tax losses available for carry forward more than 5 years</b>	<b>167.8</b>	<b>231.9</b>	<b>399.8</b>	<b>25.2</b>	<b>40.6</b>	<b>65.8</b>
<b>Ordinary tax losses carry forward</b>	<b>218.3</b>	<b>259.6</b>	<b>478.0</b>	<b>28.6</b>	<b>62.8</b>	<b>91.5</b>
<b>Evergreen tax losses carry forward</b>	<b>298.0</b>	<b>512.0</b>	<b>810.0</b>	<b>198.8</b>	<b>516.3</b>	<b>715.1</b>
<b>Total tax losses carry forward</b>	<b>516.3</b>	<b>771.6</b>	<b>1,287.9</b>	<b>227.4</b>	<b>579.2</b>	<b>806.6</b>

Compared to 2010, total tax losses basis carried forward increased by EUR 481.3 million. The increase was largely due to the tax losses brought into the Group from former Siemens IT Solutions and Services companies (EUR 273.9 million as at December 31<sup>st</sup>, 2011). The remainder was the creation of new tax losses basis notably in France (EUR 45.3 million), Iberia (EUR 25.4 million), Germany (EUR 17.1 million) and Asia Pacific (EUR 5.6 million).

The countries with the largest tax losses available for carry forward were France (EUR 242.8 million), the United Kingdom (EUR 232.9 million), the United States (EUR 211.8 million), Brazil (EUR 57.4 million), Germany (EUR 132.7 million), Iberia (EUR 95.3 million), Italy (EUR 43.1 million), Austria (EUR 43.5 million), Switzerland (EUR 39.1 million) and Hong-Kong (EUR 35.6 million).

**Deferred tax assets not recognized by the Group**

(In EUR million)	12 months ended 31 December 2011	12 months ended 31 December 2010
Tax losses carry forward	232.6	191.6
Temporary differences	65.5	21.0
<b>Total</b>	<b>298.1</b>	<b>212.6</b>



## Note 9 Non-controlling Interests

(In EUR million)	31 December 2010	2011 Income	Dividends	Impact of business combination	Other	31 December 2011
Arbeitsmarktservice BetriebsgmBH & Co KG	-	2.5	(2.0)	17	-	2.2
Atos Pty Ltd	2.6	(11)	-	-	(0.4)	11
Diamis	1.3	0.2	-	-	-	1.5
Other	1.5	(0.4)	(0.4)	0.6	(0.1)	1.2
<b>Total</b>	<b>5.4</b>	<b>1.2</b>	<b>(2.4)</b>	<b>2.3</b>	<b>(0.5)</b>	<b>6.0</b>

(In EUR million)	31 December 2009	2010 Income	Dividends	Impact of business combination	Other	31 December 2010
Atos Worldline Processing GmbH	79	16	(3.7)	-	(5.8)	-
Other	31	0.5	(0.2)	-	2.0	5.4
<b>Total</b>	<b>11.0</b>	<b>2.1</b>	<b>(3.9)</b>	<b>-</b>	<b>(3.8)</b>	<b>5.4</b>

## Note 10 Earnings per share

Basic and diluted earnings per share are reconciled in the table below.

Potential dilutive instruments comprised stock subscription (equivalent to 1,373,989 options) and convertible bonds (equivalent to 10,796,902 shares of which 5,414,771 issued in 2009 and 5,382,131 issued in 2011). The convertible bonds are the only instruments that

generate a restatement of net income used for the diluted EPS calculation. The EUR 12.2 million restatement corresponded to the interest expenses relating to the liability component net of deferred tax (EUR 9.1 million issued in 2009 and EUR 3.1 million issued in 2011). The average number of stock options not exercised in 2011 amounted to 9,315,255 shares.

(In EUR million and shares)	12 months ended 31 December 2011	12 months ended 31 December 2010
<b>Net income - Attributable to owners of the parent [a]</b>	<b>181.6</b>	<b>116.1</b>
Impact of dilutive instruments	12.2	8.7
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>193.8</b>	<b>124.8</b>
Average number of shares outstanding [c]	76,019,755	69,334,351
Impact of dilutive instruments [d]	12,170,891	6,614,780
Diluted average number of shares [e] = [c] + [d]	88,190,646	75,949,131
<b>Earnings per share in EUR [a]/[c]</b>	<b>2.39</b>	<b>1.67</b>
Diluted earnings per share in EUR [b]/[e]	2.20	1.64

No significant shares' transactions occurred subsequently to the closing that could have a dilutive impact on earnings per share calculation.

**Note 11 Goodwill**

(In EUR million)	31 December 2010	Acquisitions Depreciations	Impact of business combination	Other	Exchange rate fluctuations	31 December 2011
Gross value	2,187.5	-	373.4	0.3	3.2	2,564.4
Impairment loss	(577.6)	-	-	-	(4.6)	(582.2)
<b>Carrying amount</b>	<b>1,609.9</b>	<b>-</b>	<b>373.4</b>	<b>0.3</b>	<b>(1.4)</b>	<b>1,982.2</b>

(In EUR million)	31 December 2009	Acquisitions Depreciations	Impact of business combination	Other	Exchange rate fluctuations	31 December 2010
Gross value	2,038.2	90.7	-	6.3	52.3	2,187.5
Impairment loss	(530.6)	(25.4)	-	(6.3)	(15.3)	(577.6)
<b>Carrying amount</b>	<b>1,507.6</b>	<b>65.3</b>	<b>-</b>	<b>-</b>	<b>37.0</b>	<b>1,609.9</b>

Goodwill is allocated to Cash Generating Units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements.

A summary of the carrying amounts of goodwill allocated by CGUs or grouping of CGUs is presented hereafter.

Overall, goodwill increased from EUR 1,609.9 million to EUR 1,982.2 million mainly due to the acquisition of Siemens IT Solutions and Services entities as detailed in the Note 1 in the Business combination section.

(In EUR million)	31 December 2011	31 December 2010
Germany	213.9	72.8
France	183.4	178.1
UK & Ireland	520.0	458.9
Benelux	311.6	301.1
Atos Worldline	367.7	377.9
Central & Eastern Europe	63.7	1.3
North America	31.8	-
North & South West Europe	48.5	26.1
Iberia	76.7	65.3
Other countries	164.9	128.4
<b>Total</b>	<b>1,982.2</b>	<b>1,609.9</b>

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. They are also based on the following assumptions:

- Terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.5% (as last year). Although exceeding the long term average growth rate for the countries in which the Group operated, this rate reflects specific perspectives of the IT sector, and

- 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 country risks relating to each geographical area. The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.8% (compared to 5.3% in 2010), in order to reflect the long-term assumptions factored in the impairment tests.

As a result, the discount rates used by CGUs are presented hereafter:

	2011 Discount rate	2010 Discount rate
Germany	10.0%	9.4%
France	9.9%	9.3%
UK & Ireland	10.0%	9.4%
Benelux	10.0%	between 9.3% and 9.4%
Atos Wordline	10.0%	9.3%
Central & Eastern Europe	10.0%	9.4%
North America	9.9%	9.3%
North & South West Europe	10.0%	9.4%
Iberia	10.0%	9.4%
Other countries	between 10.0% and 11.5%	between 9.3% and 10.6%

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions of variation of + 50bp for each

of these parameters, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

## Note 12 Intangible assets

(In EUR million)	Gross value	Amortization	Net value
<b>1 January 2010</b>	<b>324.5</b>	<b>(255.6)</b>	<b>68.9</b>
Additions / charges	29.7	(31.5)	(1.8)
Disposals / reversals	(2.0)	1.7	(0.3)
Exchange differences	8.8	(7.3)	1.5
Impairment	-	(0.5)	(0.5)
Other	9.8	(1.6)	8.2
<b>31 December 2010</b>	<b>370.8</b>	<b>(294.8)</b>	<b>76.0</b>
Additions / charges	58.6	(49.6)	9.0
Disposals / reversals	(27.0)	27.0	-
Impact of business combination	72.4	-	72.4
Customer Relationships (PPA)*	324.1	(18.5)	305.6
Exchange differences	13.0	(5.6)	7.4
Other	4.9	(3.2)	1.7
<b>31 December 2011</b>	<b>816.8</b>	<b>(344.7)</b>	<b>472.1</b>

(\*) Purchase Price Allocation.

An amount of EUR 3241 million was recognized as Customer Relationship related to the value of the customer relationships and backlog brought by Siemens IT Solutions and Services which was part of the purchase price at acquisition date (PPA: Purchase Price Allocation). The Customer Relationship was valued as per the multi-period excess earning method (income approach) applied to a contracts base representing 80% of the Siemens IT

Solutions and Services annual turnover and assuming the same average renewal conditions as obtained by Atos Origin in the past for each type of contract. This amount is being amortized on a straight line basis over a period of 8.75 years, generating an annual charge of EUR 370 million. Therefore, a charge of EUR 18.5 million was recorded for the second half of 2011.

### Note 13 Tangible assets

(In EUR million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value at 1<sup>st</sup> January 2011</b>	<b>318.5</b>	<b>817.9</b>	<b>90.4</b>	<b>1,226.8</b>
Additions	17.0	137.6	41.7	196.3
Impact of business combination	36.3	241.8	31.3	309.4
Disposals	(13.2)	(183.0)	(16.4)	(212.6)
Exchange differences	3.9	20.4	(1.8)	22.5
Other	3.1	29.9	(39.3)	(6.3)
<b>At 31<sup>st</sup> December 2011</b>	<b>365.6</b>	<b>1,064.6</b>	<b>105.9</b>	<b>1,536.1</b>
<b>Accumulated depreciation at 1<sup>st</sup> January 2011</b>	<b>(168.9)</b>	<b>(608.5)</b>	<b>(53.0)</b>	<b>(830.4)</b>
Depreciation charge for the year	(33.5)	(171.4)	(12.9)	(217.8)
Eliminated on disposal	12.5	177.1	15.9	205.5
Exchange differences	(2.0)	(17.1)	1.8	(17.3)
Impairment	0.2	-	0.2	0.4
Other	0.7	0.5	2.5	3.7
<b>At 31<sup>st</sup> December 2011</b>	<b>(191.0)</b>	<b>(619.4)</b>	<b>(45.5)</b>	<b>(855.9)</b>
<b>Net value at 1<sup>st</sup> January 2011</b>	<b>149.6</b>	<b>209.4</b>	<b>37.4</b>	<b>396.4</b>
<b>At 31<sup>st</sup> December 2011</b>	<b>174.6</b>	<b>445.2</b>	<b>60.4</b>	<b>680.2</b>
<b>Gross value at 1<sup>st</sup> January 2010</b>	<b>292.6</b>	<b>900.0</b>	<b>80.4</b>	<b>1,273.0</b>
Additions	13.7	85.1	55.3	154.1
Disposals	(17.9)	(210.8)	(4.0)	(232.7)
Exchange differences	5.2	18.0	2.6	25.8
Other	24.9	25.6	(43.9)	6.6
<b>At 31<sup>st</sup> December 2010</b>	<b>318.5</b>	<b>817.9</b>	<b>90.4</b>	<b>1,226.8</b>

(In EUR million)	Land and buildings	IT equipments	Other assets	Total
<b>Accumulated depreciation at 1<sup>st</sup> January 2010</b>	<b>(157.6)</b>	<b>(671.2)</b>	<b>(36.8)</b>	<b>(865.6)</b>
Depreciation charge for the year	(32.2)	(121.9)	(4.6)	(158.7)
Eliminated on disposal	16.1	197.4	3.5	217.0
Exchange differences	(3.2)	(13.7)	(1.9)	(18.8)
Impairment	0.1	1.7	-	1.8
Other	7.9	(0.8)	(13.2)	(6.1)
<b>At 31<sup>st</sup> December 2010</b>	<b>(168.9)</b>	<b>(608.5)</b>	<b>(53.0)</b>	<b>(830.4)</b>
<b>Net value at 1<sup>st</sup> January 2010</b>	<b>135.0</b>	<b>228.8</b>	<b>43.6</b>	<b>407.3</b>
<b>At 31<sup>st</sup> December 2010</b>	<b>149.6</b>	<b>209.4</b>	<b>37.4</b>	<b>396.4</b>

The tangible assets of the Group include mainly IT equipments used in the production centers, in particular the datacenters and the software factories. Moreover,

Atos' policy is to rent its premises. Therefore, the land and buildings items include mainly technical infrastructure of our datacenters.

#### Finance leases

Tangible assets held under finance leases had a net carrying value of EUR 1.2 million. Future minimum lease

payments under non-cancellable leases amounted to EUR 1.4 million at year-end.

(In EUR million)	31 December 2011			31 December 2010		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	0.7	(0.1)	0.6	1.0	(0.1)	0.9
Between one and five years	0.7	(0.1)	0.6	1.0	(0.1)	0.9
More than five years	-	-	-	-	-	-
<b>Total</b>	<b>1.4</b>	<b>(0.2)</b>	<b>1.2</b>	<b>2.0</b>	<b>(0.2)</b>	<b>1.8</b>

#### Note 14 Non-current financial assets

(In EUR million)	Notes	31 December 2011	31 December 2010
Pension prepayments	Note 20	372.2	203.6
Other (*)		208.1	26.9
<b>Total</b>		<b>580.3</b>	<b>230.5</b>

(\*) "Other" include loans, deposits, guarantees, investments in associates accounted for under the equity method and non consolidated investments.

The EUR 181.2 million increase of "Other" was primarily due to the final Siemens IT Solutions and Services acquisition settlement agreed between Siemens and Atos

on February 23<sup>rd</sup>, 2012 (refer to Note 1 Business combination section and Note 28 Subsequent events).

### Note 15 Trade accounts and notes receivable

(In EUR million)	31 December 2011	31 December 2010
Gross value	2,013.4	1,259.6
Transition costs	21.1	25.9
Provision for doubtful debt	(106.3)	(53.2)
<b>Net asset value</b>	<b>1,928.3</b>	<b>1,232.3</b>
Prepayments	(26.3)	(6.4)
Deferred income and upfront payments received	(391.8)	(262.9)
<b>Net accounts receivable</b>	<b>1,510.2</b>	<b>963.0</b>
<b>Number of days' sales outstanding (DSO)</b>	<b>54</b>	<b>49</b>

The average credit period on sale of services is between 30 and 60 days depending on the countries.

For balances outstanding for more than 60 days as compared to agreed payment terms, the Group considers the need for an impairment loss on a case-by-case basis through a quarterly review of its balances.

Atos securitization program of trade receivables has been renewed for 5 years on March 6<sup>th</sup>, 2009 with a maximum amount of receivables sold of EUR 500.0 million and a limit of maximum amount of financing of EUR 200.0 million. As of December 31<sup>st</sup>, 2011, the Group has sold EUR 358.7 million receivables for which EUR 70.0 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet.

#### Ageing of net receivables past due

(In EUR million)	31 December 2011	31 December 2010
0-30 days overdues	93.4	55.4
30-60 days overdues	25.9	19.5
Beyond 60 days overdues	52.1	25.6
<b>Total</b>	<b>171.4</b>	<b>100.5</b>

The increase of EUR 70.9 million of overdues in 2011 came from the integration of Siemens IT Solutions and Services the July 1<sup>st</sup>, 2011.

**Movement in provisions for doubtful debt**

(In EUR million)	31 December 2011	31 December 2010
<b>Balance at beginning of the year</b>	<b>(53.2)</b>	<b>(53.2)</b>
Impairment losses recognized	(19.6)	(16.8)
Amounts written off as uncollectible	15.9	18.3
Impairment losses reversed	9.0	-
Impact of business combination	(56.7)	(0.4)
Other (*)	(1.7)	(1.1)
<b>Balance at end of the year</b>	<b>(106.3)</b>	<b>(53.2)</b>

(\*) Reclassification and exchange difference.

**Note 16 Other current assets**

(In EUR million)	31 December 2011	31 December 2010
Inventories	25.1	8.9
State - VAT receivables	83.9	48.7
Prepaid expenses	131.0	66.2
Other receivables & current assets	261.0	44.1
Advance payment	56.2	6.7
<b>Total</b>	<b>557.2</b>	<b>174.6</b>

**Note 17 Breakdown of assets and liabilities by financial categories**

The book value of financial assets corresponds to their fair value.

As of December 31<sup>st</sup>, 2011 the analysis of assets was the following:

(In EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	577.2	-	-
Non-current financial instruments	-	-	-	0.1
Trade accounts and notes receivables	1,928.3	-	-	-
Other current assets	557.2	-	-	-
Current financial instruments	-	-	-	1.1
Cash and cash equivalents	678.2	-	88.6	-
<b>Total</b>	<b>3,163.7</b>	<b>577.2</b>	<b>88.6</b>	<b>1.2</b>

## C. Finance

### C.5. Notes to the consolidated financial statements

As of December 31<sup>st</sup>, 2010, the analysis of assets was the following:

(In EUR million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivatives related assets
Non-current financial assets (excluding investments in associates accounted for under the equity method)	-	230.1	-	-
Non-current financial instruments	-	-	-	0.3
Trade accounts and notes receivables	1,232.3	-	-	-
Other current assets	174.6	-	-	-
Current financial instruments	-	-	0.6	1.5
Cash and cash equivalents	333.9	-	88.3	-
<b>Total</b>	<b>1,740.8</b>	<b>230.1</b>	<b>88.9</b>	<b>1.8</b>

As of December 31<sup>st</sup>, 2011, the analysis of liabilities was the following:

(In EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	734.5	-
Non-current financial instruments	-	-	5.6
Trade accounts and notes payables	927.2	-	-
Current portion of borrowings	-	174.1	-
Current financial instruments	0.2	-	6.0
<b>Total</b>	<b>927.4</b>	<b>908.6</b>	<b>11.6</b>

As of December 31<sup>st</sup>, 2010, the analysis of liabilities was the following:

(In EUR million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivatives related liabilities
Borrowings	-	508.6	-
Non-current financial instruments	-	-	1.5
Trade accounts and notes payables	498.7	-	-
Current portion of borrowings	-	52.7	-
Current financial instruments	1.8	-	0.1
<b>Total</b>	<b>500.5</b>	<b>561.3</b>	<b>1.6</b>



## Note 18 Cash and cash equivalents

(In EUR million)	31 December 2011	31 December 2010
Cash in hand and short-term bank deposit	678.2	333.9
Money market funds	88.6	88.3
<b>Total</b>	<b>766.8</b>	<b>422.2</b>

Depending on market conditions and short-term cash flow expectations, Atos from time-to-time invests in money

market funds or bank deposits with a maturity period not exceeding three months.

## Note 19 Equity attributable to the owners of the parent

### Capital increase

In 2011, Atos increased its common stock by issuing new shares and incorporating additional paid-in-capital for EUR 13.7 million, resulting in the creation of 13,652,691 new shares composed of:

- the capital increase reserved for Siemens for the acquisition of Siemens IT Solutions and Services for 12,483,153 new shares,
- the attribution of new free shares resulting from the subscription by the employees to the Group shareholding program SPRINT for 950,468 free shares, and
- the exercise during the year 2011 of 219,070 share options.

At December 31<sup>st</sup>, 2011, Atos common stock consisted of 83,566,768 shares with a nominal value of one euro per share.

### Convertible bonds issued in 2011

On initial recognition, the financial instrument is split between financial liability for EUR 218.5 million and equity for EUR 31.5 million (EUR 20.8 million net of tax).

### Other

The line "Other" was mainly composed of the impact resulting from the difference between

- the EUR 414.2 million statutory capital increase reserved for Siemens for the acquisition of Siemens IT Solutions and
- Services GmbH and the EUR 482.4 million fair value of such capital increase on July 1<sup>st</sup>, 2011 to be retained in the calculation of the consideration under IFRS 3R (12,483,153 new shares at the July 1<sup>st</sup> share price value of EUR 38.65).

## Note 20 Pensions

The total amount recognized in the Group balance sheet in respect of pension plans and associated benefits was EUR 199.6 million at December 31<sup>st</sup>, 2011. It was EUR 297.4 million at December 31<sup>st</sup>, 2010.

The Group's commitments are located predominantly in the United Kingdom (42% of Group total obligations), The Netherlands (32%), Germany (14%), Switzerland (4%) and France (3%). In the United Kingdom, these commitments are generated by legacy defined benefit plans, the majority of which have been closed to further accrual in 2008. Defined benefit arrangements have been maintained only for the purpose of complying with outsourcing requirements in the public sector in which case appropriate financial compensation is sought with customers. In The Netherlands, the pension plan is a hybrid defined contribution/defined benefit plan. Only the defined benefit component (capped at a certain level of

salary) gives rise to a valuation of long term commitments for the Group, after deduction of applicable limitations and ceilings. These plans are externally funded through separate and independent legal entities, which receive employer and employee contributions.

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.

Atos recognizes all asset ceiling effects and actuarial gains and losses generated in the period in other comprehensive income.

**Events in 2011**

On July 1<sup>st</sup>, 2011, Atos acquired Siemens IT Solutions and Services. As a result pension liabilities and assets increased during 2011, mostly in Germany and Switzerland. The effects are shown in below reconciliation under the line "business combinations".

Further, during 2011 in the United Kingdom, the basis for pension increases was changed from Retail Price Index (RPI) to Consumer Price Index (CPI) in 4 of the 5 major pension plans. This led to a reduction of liability of EUR 76.9 million, recorded under other operating income in the profit and loss account.

**Situation of the transfer of Siemens IT Solutions and Services UK pension liabilities**

As a result of the acquisition of Siemens IT Solutions and Services, Atos and Siemens have agreed that:

- past service pension liabilities in respect of former employees of Siemens IT Solutions and Services UK (especially retirees) shall stay within the Siemens UK pension fund (SBS) and will not transfer to Atos, and
- past service pension liabilities in respect of Siemens IT Solutions and Services UK active employees joining Atos at July 1<sup>st</sup>, 2011 shall be transferred to a newly established Atos Pension Fund in the United Kingdom, subject to certain funding and process conditions.

Atos has effectively established a new pension scheme in the United Kingdom to accommodate new pension accruals since July 1<sup>st</sup>, 2011, but negotiations related to transfer conditions for past service liabilities of former Siemens IT Solutions and Services active employees are still in progress, and as a result, no actual transfer of past service liabilities has happened before December 31<sup>st</sup>, 2011 and no such transfer is likely to happen before the second quarter of 2012.

Atos is therefore not in a position to record at July 1<sup>st</sup>, 2011 and December 31<sup>st</sup>, 2011 any reliable best estimate of pension liabilities and plan assets potentially transferring to Atos in respect of the above described past service pension liabilities.

Maximum estimated transferring liabilities under IAS 19 are EUR 3200 million and will be covered by adequate assets materializing into an expected positive IAS 19 surplus. However, this amount is sensitive to the evolution of long term.

The amounts recognized in the balance sheet as at December 31<sup>st</sup>, 2011 rely on the following components, determined at each benefit plan's level:

(In EUR million)	31 December 2011	31 December 2010
<b>Amounts recognized in financial statements consist of:</b>		
Prepaid pension asset - post employment plans	372.2	203.6
Accrued liability - post employment plans	(526.5)	(488.5)
Accrued liability - other long term benefits	(45.3)	(12.5)
<b>Net amounts recognized - Total</b>	<b>(199.6)</b>	<b>(297.4)</b>
<b>Components of net periodic cost</b>		
Service cost (net of employees' contributions)	48.2	270
Interest Cost	137.1	121.3
Expected return on plan assets	(126.1)	(114.9)

(In EUR million)	31 December 2011	31 December 2010
Amortization of prior service cost	(76.8)	0.9
Amortization of actuarial (gain)/loss	(0.5)	0.1
Curtailment (gain)/loss	(6.0)	(2.6)
Settlement (gain)/loss	(2.4)	-
<b>Net periodic pension cost - Total expense/(profit)</b>	<b>(26.5)</b>	<b>31.8</b>
Of which, net periodic pension cost - post employment plans	(27.3)	30.2
Of which, net periodic pension cost - other long term benefits	0.8	1.6
<b>Change in defined benefit obligation</b>		
Defined benefit obligation - post employment plans at 1 January	2,489.9	2,106.9
Defined benefit obligation - other long term benefits at 1 January	13.6	15.3
<b>Total Defined Benefit Obligation at 1 January</b>	<b>2,503.5</b>	<b>2,122.2</b>
Reclassification of other non-current financial liabilities	1.9	0.7
Exchange rate impact	28.6	69.6
Service cost (net of employees' contributions)	48.2	27.0
Interest cost	137.1	121.3
Employees' contributions	24.6	21.1
Plan amendments	(77.0)	0.6
Curtailment	(6.0)	(2.6)
Settlement	(3.2)	(0.6)
Business combinations / (disposals) - post employment plans	506.6	-
Business combinations / (disposals) - other long term benefits	46.4	-
Benefits paid	(89.3)	(66.3)
Actuarial (gain)/loss	164.0	210.5
<b>Defined benefit obligation at 31 December</b>	<b>3,285.4</b>	<b>2,503.5</b>
<b>Experience adjustments generated in current year on DBO</b>	<b>(14.3)</b>	<b>(37.8)</b>

## C. Finance

### C.5. Notes to the consolidated financial statements

(In EUR million)	31 December 2011	31 December 2010
<b>Change in plan assets</b>		
<b>Fair value of plan assets at 1<sup>st</sup> January</b>	<b>2,200.6</b>	<b>1,872.4</b>
Exchange rate impact	23.6	54.8
Actual return on plan assets	345.3	222.7
Employer contributions (incl. admin charges)	83.1	81.7
Employees' contributions	24.6	21.1
Benefits paid by the fund	(69.7)	(52.1)
Settlements	(0.8)	-
Business combinations / (disposals) - post employment plans	467.7	-
Business combinations / (disposals) - other long term benefits	7.2	-
<b>Fair value of plan assets at 31<sup>st</sup> December</b>	<b>3,081.6</b>	<b>2,200.6</b>
<b>Reconciliation of prepaid/(accrued) Benefit cost (all plans)</b>		
Funded status-post employment plans	(158.5)	(290.5)
Funded status-other long term benefit plans	(45.3)	(12.5)
Unrecognized past service cost	9.4	9.6
Any other amount not recognized (asset ceiling limitation)	(5.2)	(4.0)
<b>Prepaid/(accrued) pension cost</b>	<b>(199.6)</b>	<b>(297.4)</b>
<i>Of which provision for pension and similar benefits</i>	<i>(571.8)</i>	<i>(501.0)</i>
<i>Of which non-current financial assets</i>	<i>372.2</i>	<i>203.6</i>
<b>Reconciliation of net amount recognized (all plans)</b>		
<b>Net amount recognized at beginning of year</b>	<b>(297.4)</b>	<b>(240.2)</b>
Reclassification other current liabilities	(1.9)	(0.7)
Net periodic pension cost - post employment plans	27.3	(30.3)
Benefits paid by employer - post employment plans	12.0	10.7
Employer contributions - post employment plans	81.1	80.7
Business combinations / (disposals) - post employment plans	(39.9)	-
Business combinations / (disposals) - other long term benefits	(39.2)	-
Amounts recognized in Other Comprehensive Income	53.9	(105.7)
Other (other long-term benefit, exchange rate)	4.5	(12.0)
<b>Net amount recognized at end of year</b>	<b>(199.6)</b>	<b>(297.4)</b>

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension funds) were EUR 3,073.1 million at December 31<sup>st</sup>, 2011 and EUR 2,392.5 million at December 31<sup>st</sup>, 2010, representing more than 93% of Group total obligations.

Sensitivity analysis shows that the defined benefit obligation as at the end of the year would increase by 5% as a result of a 30 basis point decrease in discount rate.

#### Plan assets

Plan assets, which do not include Atos securities or any assets used by the Group, were invested as follows:

(In EUR million)	31 December 2011	31 December 2010
Equity	19%	26%
Bonds / Interest Rate Swaps	63%	69%
Real Estate	2%	2%
Cash and Cash equivalent	14%	3%
Other	2%	-

#### Prepaid pension situations on balance sheet

The net asset of EUR 368.1 million in respect of the Dutch pension scheme is supported by appropriate refund expectations, as requested by IFRIC 14.

#### Situation of the UK pension funds and impact on contributions for 2012

The Group expects to contribute EUR 50.2 million to its United Kingdom schemes next year versus EUR 40.5 million in 2011 of which EUR 33.5 million being deficit recovery payments. The increase is mainly due to contributions to the new pension scheme set up after the Siemens IT Solutions and Services acquisition.

#### Situation of the Dutch pension fund and impact on contributions for 2012

Atos is executing a five year recovery plan with its Dutch Pension Fund, an independent legal entity managing the assets segregated from the company's assets to secure the provision of future pensions as requested by legislation.

Previous contractual agreement committed Atos to ensure a permanent 110% funding of local pension obligations, as appreciated under local solvency rules.

Under the agreement signed on July 15<sup>th</sup>, 2009, the 110% clause is suspended for five years, and Atos has committed to the following recovery payments:

- Contributions (currently shared 55%-45% between Atos and its employees) will be increased from 23% to 26% between 2010 and 2013,

- Two cash injections of EUR 100 million will be made by Atos in 2012 and 2013, and
- Atos has started and will continue to grant a loan to the Pension Fund in three instalments of EUR 7.5 million each, payable in 2011, 2012 and 2013, its reimbursement being subordinated to a recovery of the funding ratio of the Pension Fund.

If the funding ratio was to fall below a trajectory leading to a 105% funding ratio at December 31<sup>st</sup>, 2013, then payments would be increased by up to a maximum of EUR 9.0 million per year between 2010 and 2013. Similarly, these payments (except EUR 15.0 million of cash injections) can be reduced if the funding ratio follows a trajectory leading to a funding ratio above 117.5% at December 31<sup>st</sup>, 2013.

At December 31<sup>st</sup>, 2011, the indicative funding ratio of the Dutch Pension Fund was 95.5%. This ratio is below the 95.8% milestone as at December 31<sup>st</sup>, 2011 of the 105% trajectory agreed between Sponsor (Atos Netherlands) and its Dutch Pension Fund. Under the recovery agreement, if the final funding ratio - to be determined for the pension fund's annual report - remains at this level this shall trigger an additional contribution of EUR 4.5 million in 2012 as explained above. Excluding this amount, the company expects to contribute EUR 44.8 million to its Dutch pension plan next year versus EUR 36.2 million in 2011.

**Actuarial assumptions**

Group obligations are valued by independent actuaries, based on assumptions that are periodically updated.

These assumptions are set out in the table below:

(In EUR million)	United Kingdom		Eurozone	
	2011	2010	2011	2010
Discount rate as at 31 December	4.70%	5.30%	4.50%-4.95%	4.80%
Long-term expected return on plan assets as at 1 <sup>st</sup> January	5.50%-6.50%	6.00%-6.50%	5.25%	6.00%
Salary increase assumption as at 31 <sup>st</sup> December	2.90%	3.50%	2.00%-3.50%	1.65%-3.50%

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 expected return shown for the Eurozone applies for The Netherlands as the majority of the assets reside there.

For the determination of the 2012 financial component of the pension expense, the expected return on assets is based on the following assumptions for the United Kingdom:

Asset Class	Expected Return on Assets United Kingdom
Equity	7.25%
Corporate Bonds	4.70%
Real Estate	7.25%
Gilts	3.10%
Cash	0.50%
<b>Total Expected Average Return</b>	<b>5.50%-6.50%</b>

In The Netherlands, pension investments have been structured according to two main investment portfolios (High Volatility and Risk Control Portfolio). The combined expected return on assets assumption is 4.75%.

**Summary net impacts on 2011 financials**

The net impact of defined benefits plans on Group financial statements can be summarized as follows:

**Profit and loss**

(In EUR million)	31 December 2011			31 December 2010		
	Post-employment	Other LT benefit	Total	Post-employment	Other LT benefit	Total
Operating margin	(40.1)	1.1	(39.0)	(25.1)	(0.7)	(25.8)
Other operating items	77.0	(0.5)	76.5	0.5	(0.1)	0.4
Financial result	(9.6)	(1.4)	(11.0)	(5.6)	(0.8)	(6.4)
<b>Total (expense)/profit</b>	<b>27.3</b>	<b>(0.8)</b>	<b>26.5</b>	<b>(30.2)</b>	<b>(1.6)</b>	<b>(31.8)</b>

**Cash impacts of pensions in 2011**

The cash impact of pensions is mainly composed of cash contributions to the pension funds for EUR 83.1 million, the remaining part being benefit payments directly made by the Group to the beneficiaries.

in the year (usually expressed as a percentage of salary), as well as past deficits repayment contributions spread over a 10 to 15 years period as agreed with the respective trustees (fixed yearly amount).

The cash contributions to the pension funds are made of on-going contributions in respect of services rendered

(In EUR million)	31 December 2011	31 December 2010
Ongoing contributions	36.5	38.3
Deficits repayment other than New Deal one off lump sum	31.0	24.7
<b>Total contributions included in OMDA</b>	<b>67.5</b>	<b>63.0</b>
Direct Benefit payments	19.6	14.7
<b>Net OMDA impact</b>	<b>87.1</b>	<b>77.7</b>
Recovery Plan Contributions	14.0	16.5
Contribution related to restructuring	1.6	2.2
<b>Total cash impact in other operating items</b>	<b>15.6</b>	<b>18.7</b>
<b>Total Cash impact</b>	<b>102.7</b>	<b>96.4</b>

The below table shows the historic development of the defined benefit obligation, the fair value of plan assets,

the funded status and the experience adjustments:

(In EUR million)	31 December 2007	31 December 2008	31 December 2009	31 December 2010	31 December 2011
DBO	2,259	1,791	2,122	2,504	3,285
Fair Value of Plan Assets	2,020	1,546	1,872	2,201	3,082
Funded Status	(239)	(245)	(250)	(303)	(203)
Experience Adjustments on DBO	(11)	5	(5)	(38)	(14)

**Note 21 Provisions**

(In EUR million)	31 December 2010	Charge	Release used	Release unused	Business Combination	Other (*)	31 December 2011	Current	Non-current
Reorganization	356	21.5	(79.1)	(16.9)	299.3	(2.3)	258.1	258.1	-
Rationalization	65.0	10.2	(34.3)	(5.1)	36.6	3.0	75.4	19.2	56.2
Project commitments	24.6	34.1	(53.6)	(13.2)	245.1	(4.6)	232.4	232.4	-
Litigations and contingencies	76.0	26.6	(22.1)	(13.5)	40.9	(1.8)	106.1	-	106.1
<b>Total provisions</b>	<b>201.2</b>	<b>92.4</b>	<b>(189.1)</b>	<b>(48.7)</b>	<b>621.9</b>	<b>(5.7)</b>	<b>672.0</b>	<b>509.7</b>	<b>162.3</b>

(\*) Other movements mainly consist of the currency translation adjustments.

## C. Finance

### C.5. Notes to the consolidated financial statements

(In EUR million)	2009 December 31	Charge	Release used	Release unused	Business Combination	Other (*)	2010 December 31	Current	Non- current
Reorganization	70.9	176	(44.2)	(7.5)	-	(1.2)	35.6	35.6	-
Rationalization	94.7	26.0	(40.9)	(17.7)	0.5	2.4	65.0	27.4	37.6
Project commitments	23.2	17.2	(7.9)	(6.7)	-	(1.2)	24.6	24.6	-
Litigations and contingencies	73.0	19.2	(6.4)	(12.2)	-	2.4	76.0	17.4	58.6
<b>Total provisions</b>	<b>261.8</b>	<b>80.0</b>	<b>(99.4)</b>	<b>(44.1)</b>	<b>0.5</b>	<b>2.4</b>	<b>201.2</b>	<b>105.0</b>	<b>96.2</b>

(\*) Other movements mainly consist of the currency translation adjustments.

#### Reorganization

The provisions for reorganization brought from business combination for EUR 299.3 million included EUR 250.0 million corresponding to the additional restructuring program (mainly in Germany) and associated costs for which a receivable with Siemens was recorded at opening for EUR 225.0 million. New reorganization provisions were posted for EUR 21.5 million over the year mainly in The Netherlands (EUR 12.2 million), Germany (EUR 2.5 million) and Iberia (EUR 2.2 million).

The EUR 79.1 million consumptions came mainly from reorganization programs in Germany (EUR 36.7 million), the United Kingdom (EUR 11.5 million) and The Netherlands (EUR 10.0 million) of which EUR 57.0 million were related to the Siemens IT Solutions and Services integration plan.

The unused provisions released for EUR 16.9 million partly belonged to the Siemens IT Solutions and Services workforce resizing plan launched back in 2010 and which was marginally revised downwards after completion date of acquisition (July 1<sup>st</sup>, 2011) in order to staff new customer projects in the Group (EUR 10.2 million).

#### Rationalization

The provisions for rationalization brought from business combination for EUR 36.6 million primarily correspond to onerous lease and dilapidation costs in the United Kingdom (EUR 34.2 million). The new provisions of EUR 10.2 million mainly came from office premises rationalization in The Netherlands (EUR 5.8 million) and France (EUR 3.3 million).

The EUR 34.3 million rationalization provisions were used against offices onerous contract and dilapidation costs (EUR 12.4 million for France and EUR 5.5 million for Atos Worldline), mainly related to the consolidation of Paris' offices executed in 2010, and rationalization in the United Kingdom (EUR 6.9 million) and in The Netherlands (EUR 4.5 million) in 2011.

The release of reorganization and rationalization provisions was mostly booked through the other operating income (EUR 132.5 million).

#### Projects commitments

The projects commitments provisions consumed for EUR 53.6 million primarily related to former Siemens IT Solutions and Services customers contracts and were recorded in the opening balance sheet on July 1<sup>st</sup>, 2011.

#### Litigations and contingencies

Contingency provisions of EUR 106.1 million included 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 closely monitors these situations with a view to minimize the ultimate liability.



## Note 22 Borrowings

(In EUR million)	2011 December 31			2010 December 31		
	Current	Non-current	Total	Current	Non-current	Total
Finance leases	0.5	0.7	1.2	0.9	0.9	1.8
Bank loans	0.4	283.5	283.9	0.2	286.6	286.8
Securitization	69.8	-	69.8	9.6	-	9.6
Convertible bonds	8.1	435.8	443.9	6.3	206.7	213.0
Other borrowings	95.3	14.5	109.8	35.7	14.4	50.1
<b>Total borrowings</b>	<b>174.1</b>	<b>734.5</b>	<b>908.6</b>	<b>52.7</b>	<b>508.6</b>	<b>561.3</b>

### Borrowings in currencies

The carrying amounts of the Group's borrowings were denominated in the following currencies:

(In EUR million)	EUR	"Other currencies"	Total
<b>2011 December 31</b>	<b>780.8</b>	<b>127.8</b>	<b>908.6</b>
2010 December 31	466.8	127.8	561.3

### 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 being not material.

On October 29<sup>th</sup>, 2009 the Group issued EUR 250.0 million of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of Atos maturing on January 1<sup>st</sup>, 2016. The OCEANE is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument (net of fees for EUR 3.8 million) is split between financial liability for EUR 198.4 million and equity for EUR 47.8 million. Consequently, the effective interest rate of the convertible bonds (6.68%) differs from the annual coupon paid in cash to the bond holders (2.50%).

At the end of December 2011, the fair value of the liability component is EUR 220.5 million.

On July 1<sup>st</sup>, 2011 at the closing date of Siemens IT Solutions and Services acquisition, the Group issued a convertible bond of EUR 250.0 million reserved to Siemens with a maturity at July 1<sup>st</sup>, 2016. The convertible bonds (OCEANE) is considered as a compound instrument and contains both a liability and an equity component, which should be classified separately in the balance sheet.

On initial recognition, the financial instrument is split between financial liability for EUR 218.5 million and equity for EUR 31.5 million. Consequently, the effective interest rate of the convertible bonds (4.35%) differs from the annual coupon paid in cash to Siemens (1.50%).

At the end of December 2011, the fair value of the liability component is EUR 223.4 million.

## C. Finance

### C.5. Notes to the consolidated financial statements

#### Non-current borrowings maturity

(In EUR million)	2013	2014	2015	2016	>2016	Total
Finance leases	0.3	0.2	-	-	0.2	0.7
Bank loans	1.1	0.7	1.1	273.3	7.3	283.5
Convertible bonds	-	-	-	435.8	-	435.8
Other borrowings	3.3	2.5	3.6	5.1	-	14.5
<b>As at 2011 December 31 long-term debt</b>	<b>4.7</b>	<b>3.4</b>	<b>4.7</b>	<b>714.2</b>	<b>7.5</b>	<b>734.5</b>
(In EUR million)	2012	2013	2014	2015	>2015	Total
Finance leases	0.4	0.2	0.2	0.1	-	0.9
Bank loans	0.8	280.5	0.6	0.5	4.2	286.6
Convertible bonds	-	-	-	-	206.7	206.7
Other borrowings	4.7	3.4	2.6	3.7	-	14.4
<b>As at 2010 December 31 long-term debt</b>	<b>5.9</b>	<b>284.1</b>	<b>3.4</b>	<b>4.3</b>	<b>210.9</b>	<b>508.6</b>

#### Hypothesis retained regarding the presentation of the maturity of non-current borrowings

The evaluation of financial liabilities has been conducted based on:

- exchange rates prevailing as at December 31<sup>st</sup>, 2011, and
- interest rates presented hereafter.

The effective interest rates in 2011 were as follows:

(In EUR million)	Carrying value	Fair value	Effective interest rate
Finance leases	1.2	1.2	10.00%
Bank loans	283.9	283.9	3.15%
Securitization	69.8	69.8	3.37%
Convertible bonds issued in 2009	220.5	220.5	6.68%
Convertible bonds issued in 2011	223.4	223.4	4.35%
Other borrowings	109.8	109.8	-
<b>Total borrowings</b>	<b>908.6</b>	<b>908.6</b>	

**Change in net debt over the period**

(In EUR million)	2011 December 31	2010 December 31
<b>Opening net debt</b>	<b>139.2</b>	<b>139.4</b>
New borrowings	18.9	45.7
Convertible bonds	230.9	12.2
Repayment of long and medium-term borrowings	(19.2)	(48.6)
Variance in net cash and cash equivalents	(318.5)	136.9
New finance leases	0.2	0.5
Long and medium-term debt of companies acquired during the period	9.5	4.0
Impact of exchange rate fluctuations on net long and medium-term debt	13.2	(16.3)
Profit-sharing amounts payable to French employees transferred to debt	7.7	5.3
Other flows related to financing activities	59.9	(139.9)
<b>Closing net debt</b>	<b>141.8</b>	<b>139.2</b>

**Note 23 Fair value and characteristics of financial instruments**

(In EUR million)	2011 December 31		2010 December 31	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	1.2	(7.6)	2.4	(3.4)
Forward interest rate contracts	-	(4.2)	-	-
Analysed as:				
Non-current	0.1	(5.6)	0.3	(1.5)
Current	1.1	(6.2)	2.1	(1.9)

The fair value of financial instruments is provided by banking counterparties.

**Interest rate risk**

Bank loans of EUR 283.9 million (EUR 286.8 million in 2010) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group may mitigate 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.

At December 31<sup>st</sup>, 2011, the Group held swap rates contracts for the hedging of interest rate exposure. The swap rates contracts have been used on a part of the revolving credit

facility for an amount of EUR 280.0 million. The instruments used have a maturity in November 2015.

**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 583.3 million at December 31<sup>st</sup>, 2011. A 1% rise in 1-month Euribor would impact positively the financial expense by EUR 5.8 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

## C. Finance

### C.5. Notes to the consolidated financial statements

(In EUR million)	Notes	Exposure		Total
		Less than 1 year	More than 1 year	
Bank loans	Note 22	(0.4)	(283.5)	(283.9)
Securitization	Note 22	(69.8)	-	(69.8)
Other		(51.3)	(14.5)	(65.8)
<b>Total liabilities</b>		<b>(121.5)</b>	<b>(298.0)</b>	<b>(419.5)</b>
Cash and cash equivalents	Note 18	766.8	-	766.8
Overdrafts		(44.0)	-	(44.0)
<b>Total net cash and cash equivalents (*)</b>		<b>722.8</b>	<b>-</b>	<b>722.8</b>
Net position before risk management		601.3	(298.0)	303.3
Hedging instruments		-	280.0	280.0
<b>Net position after risk management</b>		<b>601.3</b>	<b>(18.0)</b>	<b>583.3</b>
Convertible bonds (**)	Note 22	(8.1)	(435.8)	(443.9)
Finance Leases	Note 22	(0.5)	(0.7)	(1.2)
<b>Total net debt after risk management</b>				<b>138.2</b>

(\*) Overnight deposits (deposit certificate) and money market securities and overdrafts.

(\*\*) At fixed rate.

#### Liquidity risk

In April 2011, the Group signed a new five-year revolving credit facility for an amount of EUR 1.2 billion. The maturity of the revolving credit facility is until April 2016. The revolving credit facility includes two financial covenants which under the terms are the consolidated leverage ratio may not be greater than 2.5 times and the interest cover ratio (Operating Margin divided by the net cost of financial debt) which should not be less than four times.

Atos securitization program of trade receivables has been renewed for 5 years on March 6<sup>th</sup>, 2009 with a maximum amount of receivables sold of EUR 5000 million and a limit of maximum amount of financing of EUR 2000 million. Financial covenants of the Atos securitization program are aligned with the covenants of the revolving credit facility.

The calculation of the above-mentioned ratios as of December 31<sup>st</sup>, 2011 is provided below:

Nature of ratios subject to covenants	Covenants	Group ratios at 2010 December 31	Group ratios at 2011 December 31
Leverage ratio (net debt/OMDA (**))	not greater than 2.5	0.26	0.22
Interest cover ratio (operating margin/net cost of financial debt)	not lower than 4.0	18.95	15.19

(\*) OMDA = Operating margin before non cash items.

#### Currency exchange risk

Atos operates in 48 countries. However, in most cases, Atos 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 minimize the risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(In EUR million)	2011	2010	2011	2010	2011	2010
	<b>EUR</b>		<b>GBP</b>		<b>USD</b>	
Assets	40.3	25.8	5.3	0.6	42.0	22.2
Liabilities	19.3	11.2	0.6	0.3	14.1	7.4
Foreign exchange impact before hedging	21.0	14.6	4.7	0.3	27.9	14.8
Hedged amounts	-0.4	(2.4)	(0.6)	(0.1)	(5.9)	(4.1)
<b>Foreign exchange impact after hedging</b>	<b>20.6</b>	<b>12.2</b>	<b>4.1</b>	<b>0.2</b>	<b>22.0</b>	<b>10.7</b>

**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 functional currency of each subsidiary.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% increase in foreign currency rates.

(In EUR million)	2011	2010	2011	2010	2011	2010
	<b>EUR</b>		<b>GBP</b>		<b>USD</b>	
Income Statement	1.0	0.6	0.2	0.0	1.1	0.5

**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 2011, derivatives are all allocated to the hedge of some transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

## C. Finance

### C.5. Notes to the consolidated financial statements

Breakdown of the designation of the instruments per currency is as follows:

(In EUR million)	2011 December 31		2010 December 31	
	Fair value	Notional	Fair value	Notional
<b>Instruments</b>				
<b>Cashflow hedge</b>				
<i>Interest rate</i>				
<i>SWAP</i>	-	-	(4.2)	280.0
<i>Foreign exchange</i>				
<i>Forward contracts USD</i>	1.0	38.7	0.2	47.7
<i>Forward contracts GBP</i>	(1.7)	27.6	(0.6)	17.5
<i>Option contracts GBP</i>	0.1	11.0	0.0	6.6
<i>Forward contracts INR</i>	(0.8)	34.9	(3.0)	84.5
<i>Forward contracts HKD</i>	(0.3)	2.6	(0.4)	6.1
<i>Forward contracts MYR</i>	-	-	0.0	2.6
<i>Forward contracts PLN</i>	0.2	9.3	(1.4)	20.0
<i>Forward contracts PHP</i>	-	-	0.1	18.5
<i>Forward contracts RUB</i>	-	-	(1.0)	15.6
<i>Forward contracts MAD</i>	-	-	0.0	0.2
<i>Forward contracts CNY</i>	(0.1)	2.1	(0.1)	3.1
<b>Trading</b>				
<i>Foreign exchange</i>				
<i>Forward contracts USD</i>	0.3	14.7	0.0	2.5
<i>Forward contracts INR</i>	0.3	15.0	(0.2)	2.0
<i>Forward contracts GBP</i>	0.0	4.1	-	-
<i>Forward contracts MAD</i>	0.0	1.0	-	-

The net amount of cash flow hedge reserve at December 31<sup>st</sup>, 2011 was EUR -6.6 million (net of tax), with a variation of EUR -5.9 million (net of tax) over the year.

### Note 24 Trade accounts and notes payable

(In EUR million)	31 December 2011	31 December 2010
Trade payables	924.6	496.1
Amounts payable on tangible assets	2.5	2.6
<b>Total</b>	<b>927.2</b>	<b>498.7</b>
<b>Number of days' payable outstanding (DPO)</b>	<b>58</b>	<b>69</b>

Trade accounts and notes payable are expected to be paid within one year.

### Note 25 Other current liabilities

(In EUR million)	31 December 2011	31 December 2010
Advances and down payments received on client orders	26.3	6.4
Employee-related liabilities	577.7	278.3
Social security and other employee welfare liabilities	190.7	139.3
VAT payable	287.9	166.7
Deferred income	333.3	217.3
Other operating liabilities	198.1	129.2
<b>Total</b>	<b>1,614.0</b>	<b>937.2</b>

Other current liabilities are expected to be settled within one year, except for deferred income that is released over the particular arrangement of the corresponding contract.

### Note 26 Note 26 Off-balance sheet commitments

#### 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.

## C. Finance

### C.5. Notes to the consolidated financial statements

(In EUR million)	2011 December 31	Maturing			2010 December 31
		Upto 1 year	1 to 5 years	Over 5 years	
Convertible bonds	443.9	6.2	437.7	-	213.0
Bank loans	283.8	0.4	276.6	6.8	286.8
Finance leases	14	0.5	0.9	-	18
<b>Recorded on the balance sheet</b>	<b>729.1</b>	<b>7.1</b>	<b>715.2</b>	<b>6.8</b>	<b>501.6</b>
Operating leases: land, buildings, fittings	818.1	161.8	442.3	214.0	392.4
Operating leases: IT equipment	13.7	5.3	7.1	1.3	9.3
Operating leases: other fixed assets	87.7	37.2	50.4	0.1	66.8
Non-cancelable purchase obligations (>5 years)	84.4	61.1	21.5	1.8	15.9
<b>Commitments</b>	<b>1,003.9</b>	<b>265.4</b>	<b>521.3</b>	<b>217.2</b>	<b>484.4</b>
<b>Total</b>	<b>1,733.0</b>	<b>272.5</b>	<b>1,236.5</b>	<b>224.0</b>	<b>986.0</b>
<b>Financial commitments received (Syndicated Loan)</b>	<b>920.0</b>	-	<b>920.0</b>	-	<b>920.0</b>
<b>Total received</b>	<b>920.0</b>	-	<b>920.0</b>	-	<b>920.0</b>

The received financial commitment refers exclusively to the non-utilized part of the EUR 1.2 billion revolving facility.

#### Commercial commitments

(In EUR million)	2011 December 31	2010 December 31
<b>Bank guarantees</b>	<b>179.5</b>	<b>67.2</b>
- Operational - Performance	132.0	39.5
- Operational - Bid	13.7	12.0
- Operational - Advance Payment	29.7	14.6
- Financial or Other	4.1	1.1
<b>Parental guarantees</b>	<b>2,917.6</b>	<b>1,325.9</b>
- Operational - Performance	2,909.9	1,267.4
- Operational - Other Business Orientated	7.7	58.5
- Financial or Other	-	-
<b>Pledges</b>	<b>748.7</b>	<b>0.5</b>
<b>Total</b>	<b>3,845.8</b>	<b>1,393.6</b>



For various large long term contracts, the Group provides performance guarantees to its clients. These guarantees amount to EUR 2,917.6 million as of December 31<sup>st</sup>, 2011, compared with EUR 1,325.9 million at the end of December 2010.

In respect to the framework agreement signed with Siemens for the acquisition of Siemens IT Solutions and Services, Atos has committed to make its best effort to replace Siemens as guarantor for existing commitments as of July 1<sup>st</sup>, 2011.

At the end of 2011, new parental guarantees issued in replacement of Siemens was EUR 1,196.0 million including BBC for GBP 345.0 million (EUR 414.0 million), National Savings for GBP 250.0 million (EUR 300.0 million) and the United Kingdom Passport Agency for GBP 138.0 million (EUR 166.0 million).

In the framework of the contract for the provision of IT services signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos 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 signed in April 2011, Atos SA issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 6600 million the obligations of its subsidiary, Atos Telco Services B.V. and Atos B.V.

Atos SA has given a EUR 1200 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payment obligations of Atos Nederland BV under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SA still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 52.2 million, which is fully counterguaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp".

Atos SA or Atos B.V. have given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of Siemens IT Solutions and Services UK pension liabilities, the Board of Atos SA, during its March 29<sup>th</sup>, 2011 meeting, has agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million and can be reduced if less than GBP 200.0 million liabilities eventually happen to transfer.

#### Group contributions expectations regarding pension funds

- EUR 50.2 million to its UK pension schemes next year versus EUR 40.5 million in 2011, of which EUR 33.5 million correspond to deficit recovery payments, and
- EUR 44.8 million to its Dutch pension plan next year versus EUR 36.2 million in 2011.

### Note 27 Related party transactions

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Related party transactions include in particular transactions with:

- Entities that directly, or indirectly through one or more intermediaries controls, has an interest in or has joint control over the Group;

- Key management personnel of the Group are defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice Presidents.

In the course of 2011, no transaction between the Group and such entities or key management personnel occurred.

**Compensation of members of the Board of Directors as well as Senior Executive Vice Presidents**

The remuneration of the main members of the management during the year was as follows:

(In EUR million)	2011 December 31	2010 December 31
Short-term benefits	6.5	6.3
Post-employment benefits	2.1	1.8
Termination benefits	-	-
Equity-based compensation : stock options	1.0	1.3
<b>Total</b>	<b>9.6</b>	<b>9.4</b>

The remuneration of Chief Executive Officer is determined by the Remuneration Committee according to the Group's financial achievements.

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge in income statement including the bonuses effectively paid during the year, the charge in accruals relating to current year and the release in accruals relating to previous year.

During the year, the Group has neither granted nor received guarantees from any of its Board members.

**Claim from one former Management Board Member**

There was a hearing on January 7<sup>th</sup>, 2011 and a judgment was rendered on April 5<sup>th</sup>, 2011. The tribunal followed part of Atos' arguments and decided that Atos should pay Mr. Germond an amount of EUR 378,500 corresponding to two months compensation pay and bonus. This amount has been paid to Mr. Germond. Mr. Germond decided to appeal the judgment. Atos has reasonable prospects of success in second instance. The court of Appeal is expected to give its judgment on this matter between May and December 2012.

**Note 28 Subsequent events**

On February 23<sup>rd</sup>, 2012, as the last step of the acquisition process of Siemens IT Solutions and Services, Siemens and Atos have agreed on a settlement leading to an

adjusted purchase price of EUR 748.2 million (refer to Note 1 Business combinations section).

**Note 29 Main operating entities part of scope of consolidation as of December 31<sup>st</sup>, 2011**

	% of Interest	Consolidation method	% of Control	Address
<b>HOLDING</b>				
Atos SA		Consolidation Parent Company		80, quai Voltaire - 95870 Bezons
Atos BV	100	FC	100	Groenewoudseweg 1 - 5621 BA Eindhoven - The Netherlands
Atos International NV	100	FC	100	Rue Abbé Cuyppers 3 Priester Cuyppersstraat - 1040 Brussel
Atos International Competencies and Alliances (ICA)	100	FC	100	Rue Abbé Cuyppers 3 Priester Cuyppersstraat - 1040 Brussel
Saint Louis Ré	100	FC	100	74, rue de Merl - L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire - 95870 Bezons

	% of Interest	Consolidation method	% of Control	Address
<b>FRANCE</b>				
Atos Worldline SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Diamis SA	60	FC	60	80, quai Voltaire - 95870 Bezons
Mantis SA	100	FC	100	24, rue des Jeûneurs - 75002 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Télépilote Informatique SA	51	FC	51	80, quai Voltaire - 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos A2B SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Formation SAS	100	FC	100	7/13, rue de Bucarest - 75008 Paris
<b>GERMANY</b>				
Atos Worldline GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Atos GmbH	100	FC	100	Theodor Althoffstraße 47 - 45133 Essen - Germany
Atos Worldline Processing GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Atos IT Dienstleistung und Beratung GmbH	100	FC	100	Bruchstrasse 5 - 45883 Gelsenkirchen - Germany
Atos IT Solutions and Services GmbH	100	FC	100	Otto-Hahn-Ring 6 - 81739 Munich - Germany
Atos IT Solutions and Services Verwaltungs GmbH	100	FC	100	Otto-Hahn-Ring 6 - 81739 Munich - Germany
ENERGY4U GmbH	100	FC	100	Emmy-Noether-Straße 17 - 65627 Karlsruhe - Germany
<b>THE NETHERLANDS</b>				
Atos IT Services Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos IT Systems Management Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Nederland B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Telco Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Banking Services B.V.	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos Consulting NV	100	FC	100	Papendorpseweg 93 - 3528 BJ Utrecht - The Netherlands
Atos IT Solutions and Services B.V.	100	FC	100	Werner von Siemensstraat 3 - 2712 PN Zoetermeer - statutory seat Utrecht - The Netherlands

	% of Interest	Consolidation method	% of Control	Adress
<b>OTHER EUROPE - MIDDLE EAST - AFRICA</b>				
<b>Austria</b>				
Atos Information Technology GmbH	100	FC	100	Technologiestraße 8/Genbaude D - 1120 Wien - Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraße 92 - 1210 Wien - Austria
TSG EDV Terminal-Service GmbH	99	FC	99	Modecenterstraße 1 - 1030 Wien - Austria
<b>Belgium</b>				
Atos Belgium SA	100	FC	100	Da Vincilaan 5 - 1930 Zaventem - Belgium
Atos Worldline NV	100	FC	100	Chaussée de Haecht 1442 - B-1130 Bruxelles - Belgium
Atos IT Solutions and Services S.A.	100	FC	100	Square Marie Curie 30 - 1070 Anderlecht - Belgium
<b>Bulgaria</b>				
Atos IT Solutions and Services EOOD	100	FC	100	2 Kukush Str. - Sofia Municipality - Ilinden District - 1309 Sofia - Bulgaria
<b>Denmark</b>				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 - 2630 Taastrup - Denmark
<b>Croatia</b>				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzlova 69 - 10000 Zagreb - Croatia
<b>Czech Republic</b>				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 - Doudlebská 1699/5 - Czech Republic
<b>Finland</b>				
Atos IT Solutions and Services oy	100	FC	100	Majurinkatu 6 - 02600 Espoo - Finland
<b>Greece</b>				
Atos Hellas Information Technology Services SA	100	FC	100	Kifissias 18 - 15125 Maroussi - Athens - Greece
<b>Ireland</b>				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court - Leeson Close - 2 Dublin - Ireland
<b>Italy</b>				
Atos Italia S.p.A.	100	FC	100	Via Vipiteno no. 4 - 20128 Milano - Italy
<b>Luxembourg</b>				
Atos Luxembourg PSF S.A.	100	FC	100	2, rue Nicolas Bové - L1253 Luxembourg
<b>Morocco</b>				
Atos	100	FC	100	Avenue Annakhil - Espace High-Tech, hall B, 5 <sup>th</sup> floor - Hayryad Rabat - Morocco

	% of Interest	Consolidation method	% of Control	Address
<b>Poland</b>				
Atos IT Services SPZOO	100	FC	100	Ul. Domaniewska 41 (Taurus Building) - 02-672 Warsaw - Poland
Atos IT Solutions and Services SP.z.o.o.	100	FC	100	Ul. Zupnicza 11 - 03-821 Warszawa - Poland
<b>Portugal</b>				
Atos IT Solutions and Services, Unipessoal, Lda	100	FC	100	Rua Irmaos Siemens - 1e1-A - 2700172 Amadora - Portugal
<b>Romania</b>				
Atos IT Solutions and Services s.r.l.	100	FC	100	24 Preciziei Boulevard - Building H3 - 3 <sup>rd</sup> floor - 6 <sup>th</sup> District - 062204 Bucarest - Romania
<b>Russia</b>				
Siemens IT Solutions and Services LLC	100	FC	100	1 <sup>st</sup> Kozhevnikheski per. 6, b.1 - 115114 Moscow - Russian Federation
<b>Serbia</b>				
Atos IT Solutions and Services d.o.o.	100	FC	100	Pariske komune No. 22 - 11070 Belgrade - Serbia
<b>South Africa</b>				
Atos (PTY) Ltd	74	FC	74	204 Rivonia Road, Sandton private bag X136 - Bryanston 2021 - South Africa
<b>Spain</b>				
Mundivia SA	100	FC	100	Calle Real Consulado, s/n Poligono Industrial Candina - Santander 39011 - Spain
Tempos 21, Innovación en Aplicaciones Móviles, SA	97,25	FC	100	Avda. Diagonal, 210-218 - Barcelona 08018 - Spain
Consulting Canarias, SA	100	FC	100	Paseo Tomás Morales, 851 <sup>o</sup> - Las Palmas de Gran Canaria 35004 - Spain
Centro de Tecnologías Informáticas, SA	80	FC	80	Paseo de la Condesa de Sagasta, 6 Oficina 1 - León 24001 - Spain
Infoservicios SA	75	FC	75	Albarracin 25 - Madrid 28037 - Spain
Atos, Sociedad Anonima Espanola	100	FC	100	Albarracin 25 - Madrid 28037 - Spain
Atos IT Solutions and Services Iberia SL.	100	FC	100	Ronda de Europa, 5 - Madrid 28760 - Spain
<b>Sweden</b>				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 - 194 87 Upplands Väsby - Sweden
<b>Switzerland</b>				
Atos AG	100	FC	100	Industriestraße 19 - 8304 Wallisellen - Zürich - Switzerland
Atos IT Solutions and Services AG	100	FC	100	Freilagerstrasse 28 - 8047 Zürich - Switzerland

## C. Finance

### C.5. Notes to the consolidated financial statements

	% of Interest	Consolidation method	% of Control	Adress
<b>Turkey</b>				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	100	FC	100	Istanbul Sisli ITU Ari Teknokent 2 Maslak Mah. Buyukdere Cad. A Blok Kat: 4 daire: 4 - Turkey
<b>THE UNITED KINGDOM</b>				
Atos Consulting Limited	100	FC	100	4 Triton square, regent's place - London NW1 3HG - UK
Atos IT Services UK Ltd	100	FC	100	4 Triton square, regent's place - London NW1 3HG - UK
Atos IT Solutions and Services Limited	100	FC	100	4 Triton square, regent's place - London NW1 3HG - UK
<b>ASIA PACIFIC</b>				
<b>Australia</b>				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater - Victoria - Australia
<b>China</b>				
Atos Covics Business Solutions Ltd	100	FC	100	No.1 Building, No. 99, Qinjiang Rd-Shanghai-China
Atos Information Technology (China) Co. Ltd	100	FC	100	502-505 Lido Commercial Bulding, Lido Place, Jichang Road- Chaoyang District- Beijing - China
Atos (Hong-Kong) Ltd	100	FC	100	Units 3B & 05-10, 18/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay-Kowloon-Hong Kong
<b>India</b>				
Atos India Private Limited	100	FC	100	Unit 126/127, SDF IV, SEEPZ - Andheri (East)- Bombay 400 096 - India
Atos IT Services Private Ltd	100	FC	100	C-63, 6 <sup>th</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi - 110 001 - India
Atos IT Solutions and Services Pvt Ltd	100	FC	100	HCC 247 Park, Hinson House, Tower - A - 8 <sup>th</sup> -10 <sup>th</sup> Floor - Lal Bahadur Shastri Marg - Vikhroli (West) - Mumbai 400 083 - India
<b>Japan</b>				
Atos KK	100	FC	100	20 F, Shinjuku Park Tower - Nishi Shinjuku 3-7-1 - Shinjuku - ku - Tokyo - Japan
<b>Malaysia</b>				
Atos (Malaysia) SDN BHD	100	FC	100	16-A (1 <sup>st</sup> Floor) Jalan Tun Sambanthan - 3 Brickfields - 50470 Kuala Lumpur - Malaysia
<b>Philippines</b>				
Atos Information Technology Inc.	100	FC	100	23/F Cyber One Building - Eastwood City - Cyberpark - 1110 Libis, Quezon City - Philippines

	% of Interest	Consolidation method	% of Control	Address
<b>Singapore</b>				
Atos (Asia Pacific) Pte Ltd	100	FC	100	620A Lorong 1 Toa Payoh - TP4 Level 5 - Singapore 319762
<b>Taiwan</b>				
Atos (Taiwan) Ltd	100	FC	100	5F, No.100, Sec.3, Min Sheng E. Road, Taipei 105 - Taiwan - R.O.C.
<b>Thailand</b>				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II - 36 <sup>th</sup> Floor - New Petchburi Road - Bangkok - Huay Kwang - 10310 Bangkok - Thailand
<b>AMERICAS</b>				
<b>Argentina</b>				
Atos Argentina SA	100	FC	100	Nicolás de Vedia 3892, PB - Ciudad Autónoma de Buenos Aires - C1430DAL - Argentina
Atos IT Solutions and Services SA	100	FC	100	Julio A Roca 530, piso 8, C.A.B.A. - C1067ABN - Argentina
<b>Brazil</b>				
Atos Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar, 215 - 5 <sup>o</sup> andar - Bloco E - Jardim São Luís - São Paulo - SP - CEP 05805-904 - Brazil
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Avenida Maria Coelho Aguiar N° 215 - 7 <sup>o</sup> andar - Bloco E - Bairro Jardim São Luís - São Paulo - SP - CEP 05805-904 - Brazil
Atos Soluções e serviços de tecnologia da informação Ltda	100	FC	100	Rua Werner Von Siemens, 111 - Prédio 6 - Lapa - São Paulo - SP - CEP 05069-900 - Brazil
<b>Canada</b>				
Atos Inc.	100	FC	100	6375 Shawson Drive - L5T1S7 Mississauga - Ontario - Canada
<b>Chile</b>				
Atos IT Solutions and Services S.A.	100	FC	100	Avenida Providencia 1760 Piso 17, Comuna de Providencia - 8320000 Santiago de Chile - Chile
<b>Colombia</b>				
Atos IT Solutions and Services S.A.S	100	FC	100	Carrera 65 No. 11-83 Piso 3 <sup>o</sup> - Bogotá - Colombia
<b>Mexico</b>				
Atos IT Business services S de RL de CV	100	FC	100	Calle Poniente 116 No. 590 - Industrial Vallejo - Distrito Federal - 02300 Mexico, D.F. - Mexico
<b>The United States of America</b>				
Atos IT Solutions and Services Inc.	100	FC	100	101 Merritt 7, 6 <sup>th</sup> Floor - Norwalk - CT 06851 - USA

The complete list of entities part of Atos Group is available on our internet site [www.atos.net](http://www.atos.net)

### Note 30 Auditors fees

(In EUR thousand and %)	Total			Deloitte			Grant Thornton		
	2011		2010	2011		2010	2011		2010
	Amount	%	Amount	Amount	%	Amount	Amount	%	Amount
<b>Audit</b>									
Statutory & consolidated accounts	8,296.4	63%	5,230.2	4,607.0	51%	3,051.2	3,689.4	88%	2,179.0
<i>Parent company</i>	2,355.0	18%	1,701.2	1,425.0	16%	1,077.6	930.0	22%	623.6
<i>Subsidiaries</i>	5,941.4	45%	3,529.0	3,182.0	35%	1,973.6	2,759.4	66%	1,555.4
Other services directly related to audit	4,490.2	34%	2,096.0	3,983.0	44%	1,998.8	507.2	12%	97.2
<i>Parent company</i>	3,560.5	27%	1,895.3	3,408.0	38%	1,861.1	152.5	4%	34.2
<i>Subsidiaries</i>	929.7	7%	200.7	575.0	6%	137.7	354.7	8%	63.0
<b>Subtotal Audit</b>	<b>12,786.6</b>	<b>97%</b>	<b>7,326.2</b>	<b>8,590.0</b>	<b>96%</b>	<b>5,050.0</b>	<b>4,196.6</b>	<b>100%</b>	<b>2,276.2</b>
<b>Non audit services</b>									
Legal, tax and social	269.0	2%	77.3	269.0	3%	77.3	-	-	-
Other services	132.0	1%	61.2	132.0	1%	61.2	-	-	-
<b>Subtotal Non Audit</b>	<b>401.0</b>	<b>3%</b>	<b>138.5</b>	<b>401.0</b>	<b>4%</b>	<b>138.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13,187.6</b>	<b>100%</b>	<b>7,464.7</b>	<b>8,991.0</b>	<b>100%</b>	<b>5,188.5</b>	<b>4,196.6</b>	<b>100%</b>	<b>2,276.2</b>

The fees related to "Other services directly related to audit" included EUR 3.2 million of Siemens IT Solutions and Services acquisition fees and EUR 0.5 million of fees in relation with the redaction of ISAE 3402 report.



## C.6 Parent company summary financial statements

### C.6.1 Statutory Auditors' report on the financial statements for the Year ended 31 December 2011

#### To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2011, on:

- the audit of the accompanying financial statements of Atos S.A.;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

#### I. Opinion on the 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 financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, of the financial position of the Company as at 31 December 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### II. Justification of our assessments

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

Participating interests, with a net book value of EUR 2,799,999 thousands in the balance sheet as at 31 December 2011, are valued at acquisition cost and depreciated based on its

value-in-use according to the principles described in the note "Financial fixed assets" to the financial statements. Our work consisted on appreciating the data and assumptions on which these estimations are based, especially the cash-flow projections prepared by Atos Management, reviewing the calculations performed by the entity and scrutinizing the approval procedure of these estimations by Management.

These assessments were made as part of our audit of the 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 verifications and information

We have also performed the specific verifications required by French law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

**Neuilly-sur-Seine and Paris, 4 April 2012**

**The Statutory Auditors**

Deloitte & Associés

Christophe Patrier

Grant Thornton  
French member of Grant Thornton International  
Vincent Frambourt

## C.6.2 Statutory auditor's special report on regulated agreements Shareholders' Meeting held to approve the financial statements for the year ended 31<sup>st</sup> December 2011

### To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

### AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

#### Agreements authorized during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted

to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

### AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

#### Agreements approved in prior years not performed during the year

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed of the following agreements, previously approved by Shareholders' Meetings of prior years, which were not performed during the year.

#### Agreement concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer, - Terms and conditions related to a supplementary collective defined benefit pension plans

The supplementary collective defined benefit pension plan applicable to all members of the Executive Committee of the Atos Group as authorized by the Board of Directors meeting of March 26, 2009 and approved by the Annual General Meeting of May 26, 2009 (fourth resolution), to which the Chairman and Chief Executive Officer has belonged since December 31, 2009, continued during the year ended December 31, 2011.

During the year 2011, the Group has made a payment of 27,988.80 euros to an insurance company under this agreement and no right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer.

Neuilly-sur-Seine and Paris, 4 April 2012

The Statutory Auditors

Deloitte & Associés

Christophe Patrier

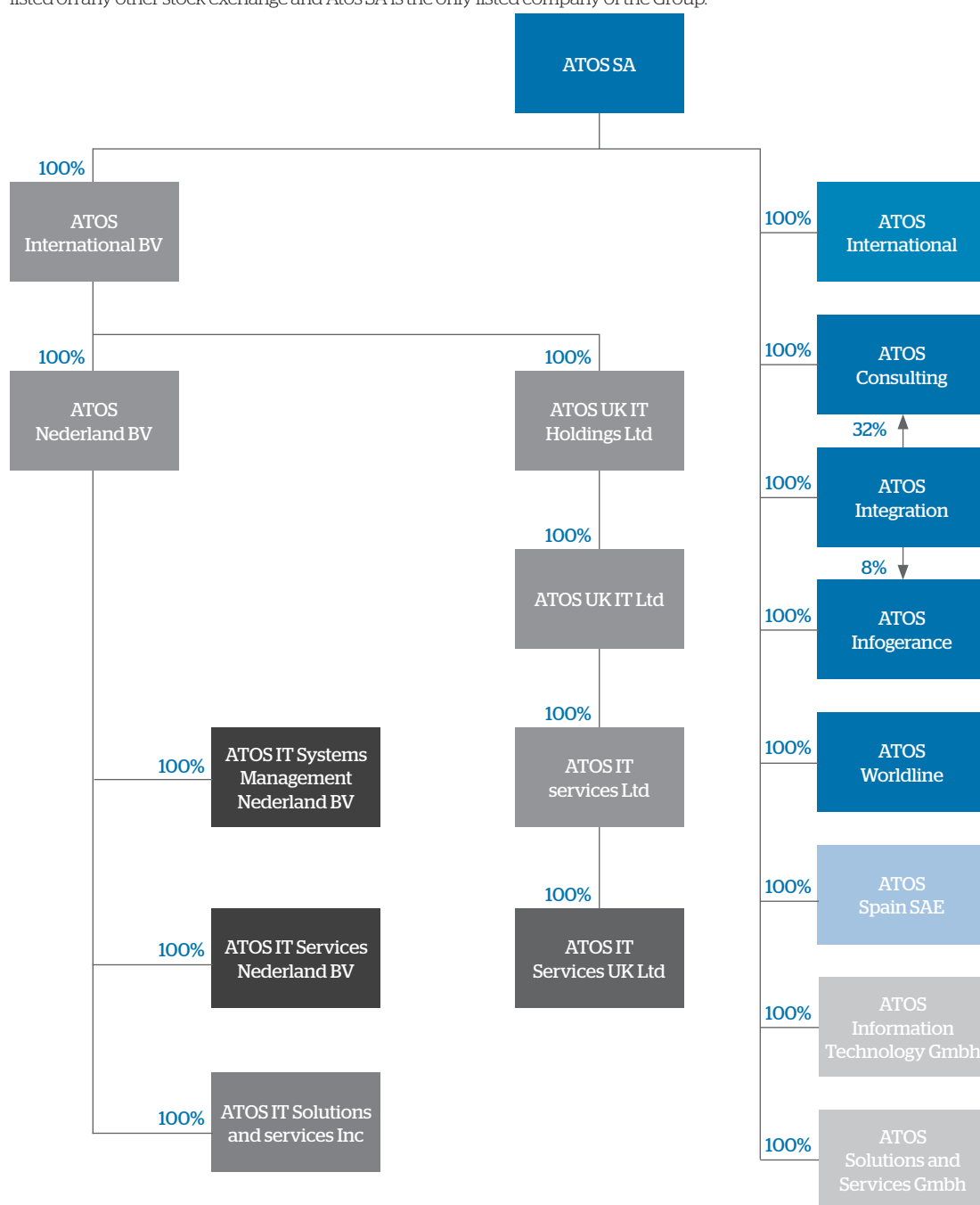
Grant Thornton

French member of Grant Thornton International

Vincent Frambourt

### C.6.3 Parent company's simplified organization chart

As of December 31<sup>st</sup>, 2011, the Group issued common stock amounted to EUR 83.6 million comprising 83,566,768 fully paid-up shares of EUR 1 per value each.  
 Atos shares are traded on the Paris Eurolist Market under Euroclear code 5173 ISIN FR0000051732. The shares are not listed on any other stock exchange and Atos SA is the only listed company of the Group.



Holding - 
  Support Service  
 The Netherlands - 
  United Kingdom - 
  North America - 
  France - 
  Spain - 
  Germany

## C.6.4 Statutory financial statements

## C.6.4.1 Balance sheet

<b>ASSETS</b>	Notes	31 December 2011	31 December 2010
(In EUR thousand)			
Intangible fixed assets	Note 1	98,418	98,887
Tangible fixed assets	Note 2	46	222
Participating interests	Note 3	2,800,044	2,309,114
Other financial investments	Note 3	691,828	530,982
<b>Total fixed assets</b>		<b>3,590,336</b>	<b>2,939,205</b>
Trade accounts and notes receivable	Note 4	16,806	6,393
Other receivables	Note 4	337,966	367,618
Cash and cash equivalent	Note 5	379,171	163,532
<b>Total current assets</b>		<b>733,943</b>	<b>537,543</b>
Prepayments, deferred expenses	Note 6	10,986	3,754
<b>TOTAL ASSETS</b>		<b>4,335,265</b>	<b>3,480,502</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
(In EUR thousand)	Notes	31 December 2011	31 December 2010
Common stock		83,567	69,914
Additional paid-in capital		1,845,408	1,414,123
Legal reserves		8,354	6,972
Other reserves and retained earnings		320,712	285,921
Net income for the period		44,034	69,674
<b>Shareholders' equity</b>	<b>Note 7</b>	<b>2,302,075</b>	<b>1,846,604</b>
Provisions for contingencies and losses	Note 8	23,117	32,780
Borrowings	Note 9	1,212,832	847,165
Trade accounts payable	Note 10	20,917	16,083
Other liabilities	Note 10	776,107	737,318
<b>Total liabilities</b>		<b>2,009,856</b>	<b>1,600,566</b>
Unrecognized exchange gains		217	552
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,335,265</b>	<b>3,480,502</b>

### C.6.4.2 Income statement

(In EUR thousand)	Notes	31 <sup>st</sup> December 2011	31 <sup>st</sup> December 2010
<b>Revenue</b>	<b>Note 11</b>	<b>40,655</b>	<b>42,097</b>
Other income		62	301
<b>Total operating income</b>		<b>40,717</b>	<b>42,398</b>
Cost of sales		(12,929)	(11,908)
Taxes		(448)	(551)
Depreciation, amortization and provisions		(66)	(136)
Other expenses	Note 12	(12,712)	(11,753)
<b>Total operating expenses</b>		<b>(26,155)</b>	<b>(24,348)</b>
<b>Operating margin</b>		<b>14,562</b>	<b>18,050</b>
Net financial result	Note 13	32,970	45,997
<b>Net income on ordinary activities</b>		<b>47,532</b>	<b>64,047</b>
Non-recurring items	Note 14	(12,065)	(7,275)
Corporate income tax	Note 15	8,567	12,902
<b>NET INCOME FOR THE PERIOD</b>		<b>44,034</b>	<b>69,674</b>

### C.6.5 Notes to the Atos SA statutory financial statements

#### Atos SA Activity

Atos SA main activities are:

- The management of the Atos trademark;
- The management of Group participating interests;
- The management of Group financing activities.

Revenue included trademark fees received from Group subsidiaries.

The company Atos SA is the parent company of the Atos Group and consequently establishes consolidated financial statements.

#### Highlights

On April 11<sup>th</sup>, 2011, Atos SA renewed the syndicated loan for an amount of EUR 1,200 million with an international syndicate of financial institutions; this renewal generated costs of issuing borrowings for an amount of EUR 9.3 million accounted for in deferred expenses.

On July 1<sup>st</sup>, 2011, Atos acquired from Siemens 100% of Siemens IT Solutions and Services, European based leading IT services provider which offers IT expertise and delivers industry focused end-to-end IT solutions.

The deal has created a new company ranked in the top ten global IT services providers, the new company is a powerful combination of two highly complementary organizations in matters of geography, business and industry.

Following this acquisition, Siemens became the largest customer of Atos.

#### Rules and accounting methods

In application with CRC 99-03, the financial statements of Atos SA have been prepared in accordance with generally accepted accounting principles in France and with the

## C. Finance

### C.6. Parent company summary financial statements

provisions of the French General Accounting Plan (Plan Comptable Général).

General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method.

The annual accounts are established and presented in thousands of euros.

#### Intangible assets

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life.

The merger deficit acquired before 2004 is amortized on a straight-line basis over 20 years. The Company applied the regulation CRC 2004-01 relating to the accounting treatment of mergers and similar operations which occurred from 1<sup>st</sup> January 2004. Those merger deficits are subject to an annual impairment test. An impairment loss is recognized when the sum of the merger deficit and the related gross value of the participating interest exceed the enterprise value.

The enterprise value is computed on the basis of expected three year future cash flow through assumptions approved by the management of the Company.

#### Tangible assets

The tangible fixed assets (buildings / fittings) are booked at their acquisition value excluding any financial expenses. The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- Buildings: 20 years
- Fixtures and fittings: 5 to 10 years.

#### Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans).

Participating interests are booked at their acquisition cost; an impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows:

- for the operational subsidiaries, the value-in-use is determined on the basis of the enterprise value described above;

- for the holding subsidiaries, the value-in-use is calculated based on their shareholding equities.

Treasury stocks are recorded at their acquisition cost.

Atos shares are not held in the context of a liquidity contract nor in the intention to grant them as free shares plan or stock-options plan.

A depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

Loans are mainly intra-group transactions.

#### Trade accounts and notes receivable

Trade accounts and notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

#### Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

The shares acquired to be granted for the Management Incentive Plan (MIP) and Long Term Incentive (LTI) plans are valued at the purchase price for those bought from 2008, at the net book value as at 31 December 2007 for the others, further to the accounting method changes into 2008 in application of the CNC guideline n°2008-17, the CRC regulation n°08-15, art 6, and the recommendation of the CNC n° 2009-R-01 of February 5<sup>th</sup>, 2009.

**Prepayments, deferred expenses**

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

**Provisions**

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, an additional provision for risk may be required when the carrying value exceeds the value in-use.

A provision for contingencies is booked for free share grants and stock-options plans for the vesting period according to the application of the CNC guideline n°2008-17, the CRC regulation n°08-15, art 6, and the recommendation of the CNC n° 2009-R-01 of February 5<sup>th</sup>, 2009.

**Note 1 Intangible assets****Net value of intangible fixed assets**

(In EUR thousand)	31 December 2010	Acquisitions/ charges	Disposals/ reversals	31 <sup>st</sup> December 2011
Intangible assets	113,918			113,918
Amortization	(8,380)	(469)		(8,849)
Depreciation	(6,651)			(6,651)
Total of amortization & depreciation	(15,031)	(469)	-	(15,500)
<i>Of which: - non-recurring items</i>		(469)	-	
<b>Net value of intangible assets</b>	<b>98.887</b>	<b>(469)</b>	<b>-</b>	<b>98.418</b>

The intangible assets are mainly composed of a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SA in 2004.

This merger deficit was allocated to the various assets brought to allow a proper follow-up and is broken down as follows:

- France: EUR 40.8 million;
- Spain: EUR 63.8 million.

The other merger deficit acquired before 2004 amounts to EUR 97 million in gross value, are depreciated on a straight line basis.

## Note 2 Tangible fixed assets

### Net value of tangible fixed assets

(In EUR thousand)	31 December 2010	Acquisitions / Charges	Disposals / Release	31 December 2011
Tangible fixed assets	2,684	-	(2,571)	113
Depreciation of tangible fixed assets	(2,462)	(66)	2,461	(67)
<i>Of which operating</i>		(66)	-	
<b>Net value of tangible fixed assets</b>	<b>222</b>	<b>(66)</b>	<b>(110)</b>	<b>46</b>

On September 30<sup>th</sup>, 2011, Atos SA sold a building in Vineuil, the net assets of the building sold was EUR 0.1 million and the selling price was EUR 0.5 million.

## Note 3 Financial fixed assets

### Change in financial fixed assets - Gross values

(In EUR thousand)	31 December 2010	Acquisition	Decrease	31 December 2011
Investments in consolidated companies	2,467,605	524,750		2,992,355
Investments in non consolidated companies	139	-	-	139
Treasury stocks	92	-	-	92
Other investments	85	-	-	85
<b>Total Investments</b>	<b>2,467,921</b>	<b>524,750</b>	<b>-</b>	<b>2,992,671</b>
Loans and accrued interests	129,887		(194)	129,693
Others	401,095	273,443	(112,403)	562,135
<b>Total Other financial assets</b>	<b>530,982</b>	<b>273,443</b>	<b>(112,597)</b>	<b>691,828</b>
<b>TOTAL</b>	<b>2,998,903</b>	<b>798,193</b>	<b>(112,597)</b>	<b>3,684,499</b>

### Acquisition in consolidated investments

Atos SA increased the capital of several subsidiaries:

- Atos Intégration for EUR 36.9 million;
- Atos Spain SAE for EUR 270 million;
- Atos Meda for EUR 8.8 million;
- Atos Management France for EUR 5.5 million.

Atos SA acquired the shares Atos Intégration from Atos Infogérance for EUR 170 million.

Atos SA acquired shares related to Atos IT Solutions and Services GmbH from Siemens for EUR 428.5 million.

Atos SA exchanged the shares Atos Intégration for the shares Atos Worldgrid for an amount of EUR 32.3 million.

### Others financial assets

Other financial assets at closing date correspond to:

- Deposits granted under the securitization program for EUR 288.7 million;
- Amounts due by Siemens related to price adjustment of the share value of Siemens IT Solutions and Services EUR 273.4 million related to:



- Price adjustment for other items:  
EUR 144.4 million  
- Price adjustment for restructuring costs: EUR 116.6 million

- Reimbursement by Siemens of Kyros shares:  
EUR 12.4 million

#### Change in financial fixed assets - Impairment

(In EUR thousand)	31 December 2010	Depreciation	Release	31 December 2011
Investments in consolidated companies	(158,541)	(34,332)	517	(192,356)
Investments in non consolidated companies	(139)	-	-	(139)
Treasury stocks	(43)	(4)	-	(47)
Other investments	(85)	-	-	(85)
<b>TOTAL</b>	<b>(158,808)</b>	<b>(34,336)</b>	<b>517</b>	<b>(192,627)</b>
<i>Of which financial</i>		(34,336)		

The charge of the period is mainly related to:

- Atos Infogérance for EUR 25.9 million;
- Atos Management France for EUR 5.5 million;

- Atos Servicios de Tecnologia de Informatica for EUR 2.4 million;
- Group Technic Informatic for EUR 0.6 million.

#### Net value of the financial fixed assets

(In EUR thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	2,992,355	(192,356)	2,799,999
Investments in non-consolidated companies	139	(139)	-
Treasury stocks	92	(47)	45
Other investments	85	(85)	-
Loans and accrued interests	129,693	-	129,693
Others	562,135	-	562,135
<b>TOTAL</b>	<b>3,684,499</b>	<b>(192,627)</b>	<b>3,491,872</b>

#### Maturity of loans and other financial fixed assets

(In EUR thousand)	Gross amount 31 December 2011	Up to 1 year	1 to 5 years
Loans and accrued interests	129,693	129,693	-
Others	562,135	562,135	-
<b>TOTAL</b>	<b>691,828</b>	<b>691,828</b>	<b>-</b>

Accrued interests amount to EUR 0.4 million (2010: EUR 0.3 million).

## C. Finance

### C.6. Parent company summary financial statements

#### Main subsidiaries and investments

(In EUR thousand)	Gross value at 31 <sup>st</sup> December 2011	Net value at 31 December 2011	% interest	Net Income at 31 <sup>st</sup> December 2011	Shareholders' equity
<b>I - Subsidiaries (50% or more of common stock)</b>					
<b>France</b>					
Atos Worldline	110,015	110,015	100%	19,504	130,240
Atos Investissement 5	618,681	618,681	100%	(606)	624,403
Atos Infogérance	101,776	75,908	92%	(5,716)	9,613
Atos Formation	2	2	100%	585	1,078
Atos Intégration	82,490	82,490	92%	(22,004)	(19,682)
Atos Consulting	16,539	9,073	68%	1,866	2,933
Atos Participation 2	30,616	24,249	100%	477	16,801
Atos International	30,878	0	100%	(2,032)	(15,277)
Atos Investissement 10	11,140	11,140	100%	(9,108)	1,228
Atos Management France	5,540	0	100%	(4,354)	(3,083)
Atos Investissement 12	40	32	100%	(3)	31
Atos Meda	8,840	8,840	100%	(612)	144
Atos Investissement 19	37	37	100%	(7)	29
Atos Investissement 20	37	37	100%	(7)	29
Atos Investissement 21	37	37	100%	(7)	29
Atos WorldGrid	32,328	32,328	100%	(289)	22,748
<b>Italy</b>					
Atos Multimedia Italia	68	68	100%	-	171
Atos Origin SRL	57,183	156	100%	640	156
<b>Benelux</b>					
St Louis Ré	2,139	2,139	100%	-	2,140
<b>Spain</b>					
Atos Spain SAE	80,390	80,390	100%	(26,846)	24,392
Group Technic Informatique	751	183	100%	(68)	183
<b>Germany</b>					
Atos Information Technology GmbH	160,750	160,750	100%	863	95,394
Atos Holding GmbH	50,637	0	100%	(112)	(2,133)
Atos IT Solutions and Services GmbH	428,538	428,538	100%	(416,445)	789,313
<b>The Netherlands</b>					
Atos International BV	1,139,608	1,139,608	100%	26,947	246,407

(In EUR thousand)	Gross value at 31 <sup>st</sup> December 2011	Net value at 31 December 2011	% interest	Net Income at 31 <sup>st</sup> December 2011	Shareholders' equity
<b>Brazil</b>					
Atos Serviços de Tecnologia da Informação do Brasil Ltda	23,285	15,273	55%	10,051	6,074
<b>II - Autres participations</b>	150	25			
<b>TOTAL</b>	<b>2,992,494</b>	<b>2,799,999</b>			

The total of subsidiaries and investments correspond to investments in consolidated companies and investments in non consolidated companies presented in the table 'Net value of the financial fixed assets' above.

#### Note 4 Trade accounts, notes receivable and other receivables

##### Trade accounts, notes receivable and other receivables

(In EUR thousand)	Net value 31 December 2010	Net value 31 December 2011	Depreciation	Gross amount at 31 December 2011
Trade accounts and notes receivable	3,271	1,715	-	1,715
Doubtful debtors	44	289	(245)	44
Invoices to be issued	3,078	15,047	-	15,047
State and income tax	760	-	-	-
VAT receivable	2,528	3,397	-	3,397
Intercompany current account	361,790	333,426	-	333,426
Other debtors	2,540	1,345	(202)	1,143
<b>TOTAL</b>	<b>374,011</b>	<b>355,219</b>	<b>(447)</b>	<b>354,772</b>
<i>Of which - operating</i>			(447)	

##### Maturity of trade accounts receivable and other debtors

(In EUR thousand)	Gross amount at 31 December 2011	Up to 1 year	1 to 5 years
Trade accounts and notes receivable	1,715	1,715	-
Doubtful debtors	289	-	289
Invoices to be issued	15,047	15,047	-
State and income tax	-	-	-
VAT receivable	3,397	3,397	-
Intercompany current account	333,426	333,426	-
Other debtors	1,345	1,345	-
<b>TOTAL</b>	<b>355,219</b>	<b>354,930</b>	<b>289</b>

## C. Finance

### C.6. Parent company summary financial statements

#### Accrued income

(In EUR thousand)	31 December 2011	31 December 2010
Accrued income included in Receivable accounts		
Invoices to be issued	15,047	3,078
Other debtors	463	432
<b>TOTAL</b>	<b>15,510</b>	<b>3,510</b>

#### Note 5 Cash and cash equivalents

##### Cash and cash equivalents and mutual funds

(In EUR thousand)	Net value 31 December 2010	Net value 31 December 2011	Depreciation	Gross amount at 31 December 2011
Mutual funds	88,593	68,554	-	68,554
Treasury stocks - liquidity contract	-	-	-	-
Treasury stocks	4,995	5,074	(319)	4,755
Treasury stocks for share based payments	4,187	2,231	-	2,231
Short Term Bank deposits	50,000	299,946	-	299,946
Cash at bank	15,757	3,685	-	3,685
<b>TOTAL</b>	<b>163,532</b>	<b>379,490</b>	<b>(319)</b>	<b>379,171</b>

The 201,077 own shares acquired within the framework of the plans of profit-sharing 2007 and 2008 Long Term Incentive Plan (LTI) and Management Investment Plan

(MIP) are accounted for an amount of EUR 70 million of which EUR 4.8 million of shares non allocated because conditions of attribution have not been met.

#### Note 6 Prepayments and deferred expenses

(In EUR thousand)	31 December 2011	31 December 2010
Prepaid expenses	193	118
Deferred expenses	10,793	3,636
<b>TOTAL</b>	<b>10,986</b>	<b>3,754</b>

### C.6.5.1 Notes on Liabilities and Shareholders' equity

#### Note 7 Shareholders' equity

##### Common stock

(In EUR thousand)	31 December 2011	31 December 2010
Number of shares	83,566,768	69,914,077
Nominal value (in EUR)	1	1
<b>Common stock (in EUR thousand)</b>	<b>83,567</b>	<b>69,914</b>

##### Capital ownership structure over three years

	31 December 2011		31 December 2010		31 December 2009	
	Actions	%	Actions	%	Actions	%
Financière Daunou 17	17,855,541	21.37%	17,442,839	24.95%	15,765,838	22.60%
Centaurus	-	-	-	-	1,332,140	1.91%
Pardus	-	-	1,821,869	2.61%	7,000,004	10.04%
FMR Lic	4,121,717	4.93%	3,498,744	5.00%		
Siemens	12,483,153	14.94%				
Board of Directors	15,640	0.02%	14,640	0.02%	14,938	0.02%
Employees	1,820,548	2.18%	2,523,605	3.61%	2,279,112	3.27%
Treasury stocks	202,370	0.24%	253,551	0.36%	652,152	0.94%
Public	47,067,799	56.32%	44,358,829	63.45%	42,676,278	61.21%
<b>Total</b>	<b>83,566,768</b>	<b>100.00%</b>	<b>69,914,077</b>	<b>100.00%</b>	<b>69,720,462</b>	<b>100.00%</b>
Registered shares	13,790,586	16.50%	1,403,026	2.01%	1,629,770	2.34%
Bearer shares	69,776,182	83.50%	68,511,051	97.99%	68,090,692	97.66%
<b>Total</b>	<b>83,566,768</b>	<b>100.00%</b>	<b>69,914,077</b>	<b>100.00%</b>	<b>69,720,462</b>	<b>100.00%</b>

The fund Fidelity Management and Research (FMR) no longer exceeds the 5% threshold with 4.99% of Atos share capital and voting right on November 18<sup>th</sup>, 2011.

The company Siemens Beteiligungen exceeded the 5%, the 10% and the 15% on July 1<sup>st</sup>, 2011 by the attribution of 12,483,153 shares in consideration of the contribution of the sole share of Siemens IT Solutions and Services holding.

The shares owned by employees are held through mutual funds and corporate savings plans.

The 4<sup>th</sup> resolution of the Annual General Meeting of June 1<sup>st</sup>, 2011 renewed the authorization to trade in the Group's shares. The number of shares purchased may not exceed 10% of the company's common stock. At December 31<sup>st</sup>, 2011, the company held 202,370 shares of treasury stocks representing 0.2% of the common stock.

## C. Finance

### C.6. Parent company summary financial statements

The free-float of the Group shares exclude stakes owned by the main shareholders Financière Daunou 17 (PAI Partners) owning 21.4% of the Group share capital and Siemens owning 14.9% on December 31<sup>st</sup>, 2011. Any other

shareholder owns or disclosed to own more than 5% of the issued capital of the Group. Stakes owned by the employees and the management are excluded from the free float.

	31 December 2011			31 December 2010		
	Shares	% of capital	% of voting rights	Shares	% of capital	% of voting rights
Treasury stock	202,370	0.24%	0.24%	253,551	0.36%	0.36%
Financière Daunou 17	17,855,541	21.37%	21.37%	17,442,839	25.00%	25.00%
Siemens	12,483,153	14.94%	14.94%			
Board of Directors	15,640	0.02%	0.02%	14,640	0.00%	0.00%
Employees	1,820,548	2.18%	2.18%	2,523,605	3.60%	3.60%
Free float	51,189,516	61.26%	61.26%	49,679,442	71.06%	71.10%
<b>Total</b>	<b>83,566,768</b>	<b>100.00%</b>	<b>100.0%</b>	<b>69,914,077</b>	<b>100.00%</b>	<b>100.0%</b>

#### Changes in shareholders' equity

(In EUR thousand)	31st December 2010	Dividends	Appropriation of result	Capital increase	Net Income 2011	31st December 2011
Common stock	69,914			13,653		83,567
Additional paid-in capital	1,414,123			431,285		1,845,408
Legal reserve	6,972		19	1,363		8,354
Other reserves	25,511					25,511
Retained earnings	260,410	(34,864)	69,655			295,201
Net income for the period	69,674		(69,674)		44,034	44,034
<b>Total of the Shareholder's Equity</b>	<b>1,846,604</b>	<b>(34,864)</b>	<b>-</b>	<b>446,301</b>	<b>44,034</b>	<b>2,302,075</b>

#### Potential common stock

• Based on 83,566,768 shares issued, the common stock could be increased by 19,328,137 new shares, representing an increase of 23.1% vesting;

- Stock-options granted to employees;
- Convertible bonds into new shares according to OCEANE.

	31 <sup>st</sup> December 2011	31 <sup>st</sup> December 2010	Change
Number of shares outstanding	83,566,768	69,914,077	13,652,691
Conversion of Océanes	10,796,902	5,414,771	5,382,131
Stock options	8,531,235	9,477,800	(946,565)
<b>Total potential common stock</b>	<b>102,894,905</b>	<b>84,806,648</b>	<b>18,088,257</b>

On the total of 8,531,235 of stock options, 2,651,270 options have a price of exercise higher than EUR 50.

## Note 8 Provisions

### Provisions

(In EUR thousand)	31 December 2010	Charges	Release used	Release unused	31 December 2011
Subsidiary risk	28,881	2,581	(10,972)	-	20,490
Contingencies	3,405	565	(1,837)	-	2,133
Litigations	494	-	-	-	494
<b>Total</b>	<b>32,780</b>	<b>3,146</b>	<b>(12,809)</b>	<b>-</b>	<b>23,117</b>
<i>Of which - operating</i>			(62)	-	(62)
<i>- financial</i>		3,146	(12,747)	-	(9,601)

The evaluation of the participating interest led to an additional charge for the following subsidiaries:

- Atos International EUR 11 million;
- Atos Holding GmbH EUR 15 million.

The evaluation of the participating interest led to the release of EUR 8.0 million for Atos Meda, EUR 24 million

for Atos Management France and EUR 0.5 million for Atos Origin S.r.l.

The grant for shares 2007 LTI/MIP for the two-year plans led to the release of EUR 1.8 million.

## Note 9 Financial borrowings

### Closing net debt

(In EUR thousand)		Up to 1 year	1 to 5 years	Gross value 31 December 2011	Gross value 31 December 2010
Long and medium term borrowings		-	500,000	500,000	250,000
Bank overdraft		222,287	-	222,287	162,841
Other borrowings		490,545	-	490,545	434,324
Borrowings		712,832	500,000	1,212,832	847,165
Cash at bank	Note 5	3,366		3,366	15,757
<b>Closing net debt</b>		<b>709,466</b>	<b>500,000</b>	<b>1,209,466</b>	<b>831,408</b>

Financial borrowings included:

- Intercompany loans for EUR 463.4 million;
- On October 29<sup>th</sup>, 2009, Atos SA issued a convertible bond (OCEANE) of EUR 250 million maturing on January 1<sup>st</sup>, 2016;
- On July 1<sup>st</sup>, 2011, Atos SA issued a convertible bond (OCEANE) reserved to Siemens of EUR 250 million maturing on July 1<sup>st</sup>, 2016;
- Profit-sharing for a total amount of EUR 190 million.

Deferred expenses related to other borrowings amount to EUR 10.8 million (EUR 3.6 million in 2010).

## C. Finance

### C.6. Parent company summary financial statements

#### Syndicated loan (2011-2016)

On April 11<sup>th</sup>, 2011, Atos signed a new five-year revolving credit facility for an amount of EUR 1.2 billion with an international syndicate of financial institutions. The maturity of the revolving credit facility is until April 2016. As of December 31<sup>st</sup>, 2011, Atos SA has not used this multi-currency revolving facility.

#### Securitization

On March 6<sup>th</sup>, 2009, Atos renewed its pan-European securitization program for a maximum amount for assignment of receivable of EUR 500 million and a maximum amount for financing of EUR 200 million. On December 31<sup>st</sup>, 2011, Atos SA received EUR 70 million for this program (EUR 10 million in 2010).

## Note 10 Trade accounts, notes payable and other liabilities

### Maturity of trade accounts, notes payable and other liabilities

(In EUR thousand)	Gross amount 31 December 2011	Up to 1 year	1 to 5 years	Gross amount 31 December 2010
Accounts payable	17,284			14,857
Social security and other employee welfare liabilities	1,155			672
VAT payable	2,478	2,478	-	554
Intercompany current account liabilities	772,869	772,869	-	736,276
Other liabilities	3,238	3,238	-	1,042
<b>TOTAL</b>	<b>797,024</b>	<b>797,024</b>	-	<b>753,401</b>

### Terms of payment

The general terms of purchases are sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties.

The breakdown of accounts payable at the end of the financial year is as follows:

(In EUR thousand)	31 December	Associated companies	Other	Invoices aged before year	Invoices due at 31 <sup>st</sup> December	Invoices non due at 31 <sup>st</sup> December
<b>2011</b>						
<b>Accounts payable and liabilities</b>	<b>17,284</b>	<b>8,573</b>	<b>8,711</b>	<b>86</b>	<b>298</b>	<b>16,900</b>
	100.0%			0.5%	17%	97.8%
Accounts payable	6,500	5,820	680	86	298	6,116
Invoices to be received	10,784	2,753	8,031	-	-	10,784
<b>2010</b>						
<b>Accounts payable and liabilities</b>	<b>14,857</b>	<b>6,568</b>	<b>8,289</b>	<b>86</b>	<b>25</b>	<b>14,746</b>
	100.0%			0.6%		99.3%
Accounts payable	3,116	1,143	1,973	86	25	3,005
Invoices to be received	11,741	5,425	6,316	-	-	11,741



### Deferred Expenses

(In EUR thousand)	31 December 2011	31 December 2010
Deferred Expenses included in the trade payable accounts		
Invoices to be received	10,784	11,741
Other liabilities	454	768
State and employee related liabilities	69	71
<b>TOTAL</b>	<b>11,307</b>	<b>12,580</b>

## C.6.5.2 Notes on the Income Statement

### Note 11 Revenue

#### Revenue split

	31 December 2011		31 December 2010	
	(in EUR thousand)	%	(in EUR thousand)	%
Trademark fees	37,413	92.0%	38,447	91.3%
Re-invoicing	286	0.7%	353	0.8%
Parental guarantees	2,956	7.3%	3,297	7.8%
<b>TOTAL REVENUE by nature</b>	<b>40,655</b>	<b>100.0%</b>	<b>42,097</b>	<b>100.0%</b>
France	15,311	37.7%	16,203	38.5%
Foreign countries	25,344	62.3%	25,894	61.5%
<b>TOTAL REVENUE by geographical area</b>	<b>40,655</b>	<b>100.0%</b>	<b>42,097</b>	<b>100.0%</b>

The revenue mainly includes trademark fees received from Group companies for a total amount of EUR 374 million, decreasing slightly compared to 2010.

### Note 12 Other expenses

#### Expenses

(In EUR thousand)	31 December 2011	31 December 2010
Expenses of the functions' Group	(12,025)	(11,073)
Directors' fees	(446)	(411)
Other expenses	(241)	(269)
<b>TOTAL</b>	<b>(12,712)</b>	<b>(11,753)</b>

Expenses detailed above mainly include marketing, communication, investor relations and human resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the company including fees paid to the International Olympic Committee. Atos SA had no employee in 2011 and in 2010.

**Note 13 Financial result**

(In EUR thousand)	31 December 2011	31 December 2010
Dividends received	74,624	82,373
Intercompany current account interests	6,087	2,617
Other financial assets income	4,149	3,529
Investment banking revenues	357	-
Reversal of provisions on investments in consolidated companies	517	2,060
Reversal of provisions on treasury stock	1,775	10,013
Reversal of other financial provisions	10,972	2,452
Disposal of short-term investment	1,144	962
Foreign exchange gains	1,909	5,090
Other financial income	1,716	11,507
<b>TOTAL OF THE FINANCIAL INCOME</b>	<b>103,250</b>	<b>120,603</b>
Interests on borrowings	(11,049)	(7,722)
Securitization interests	(2,757)	(1,437)
Intercompany loans interests	(8,690)	(7,080)
Intercompany current accounts interests	(1,309)	(68)
Provision for goodwill depreciation	-	-
Provision for depreciation on investments in consolidated companies	(34,332)	(15,441)
Provision for depreciation of treasury stocks	(566)	(1,050)
Other financial provisions	(5,081)	(20,517)
Loss on receivables held by participating investments	-	1
Short term borrowing interests	(2,924)	(2,599)
Foreign exchange losses	(1,627)	(5,103)
Other financial expenses	(1,945)	(13,590)
<b>TOTAL OF THE FINANCIAL EXPENSES</b>	<b>(70,280)</b>	<b>(74,606)</b>
<b>NET FINANCIAL RESULT</b>	<b>32,970</b>	<b>45,997</b>

The financial income is mainly related to dividends received for EUR 74.6 million from Atos Investissement 5, Atos Worldline, Atos Formation and Group Technic Informatique for respectively EUR 38.6 million, EUR 34.9 million, EUR 0.9 million and EUR 0.3 million.

The EUR 1.8 million release of the provision on treasury stock is related to MIP/LTI plans.

The release of other provision is mainly due to the evaluation of participating interest and has been disclosed in the Note 8 Provisions.

Other financial income for EUR 1.7 million is related to the re-invoicing to the company subsidiaries of these free shares.

The Other financial expenses for EUR 1.9 million relate to the grant of these free shares.

The depreciation on investments has been disclosed in the Note 3 Financial Assets - Impairment.

The Other financial provision is mainly due to the evaluation of participating interest and has been disclosed in the Note 8 Provisions.

Interests on borrowings include the interest related to the coupon paid to OCEANE holders for EUR 8.1 million.

## Note 14 Non recurring items

Non recurring items coming from ordinary activities are those whose realization is not related to the current operations of the Company due to their unusual, abnormal and infrequent nature.

(In EUR thousand)	31 December 2011	31 December 2010
Selling price from disposal of financial assets	-	1,001
Reversal of provision for tangible assets	500	-
Reversal of provision for intangible assets	-	967
Reversal of provision for trade accounts receivable	-	69,621
Other income	12,581	307
<b>TOTAL OF NON RECURRING INCOME</b>	<b>13,081</b>	<b>71,896</b>
Amortization of goodwill	(469)	(492)
Net book value of tangible assets sold	(110)	-
Net book value of intangible assets sold	-	(69,621)
Net book value of financial assets sold	-	(1,001)
Other expenses	(24,567)	(8,057)
<b>TOTAL OF NON RECURRING EXPENSES</b>	<b>(25,146)</b>	<b>(79,171)</b>
<b>NON RECURRING ITEMS</b>	<b>(12,065)</b>	<b>(7,275)</b>

The Other expenses mainly include professional fees related to the acquisition and Siemens IT Solutions and Services for EUR 24.6 million of which EUR 12.6 million booked as integration costs have been invoiced to Atos International SA and booked in Other income.

## Note 15 Tax

### Tax consolidation agreement

As per the article 223-A from the French Fiscal Code, Atos SA signed an agreement of Group tax consolidation with a certain number of its French subsidiaries with effect as of January 1<sup>st</sup>, 2001. Atos SA as parent company of the Group is designated as the only liable entity for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

Each subsidiary records in its accounts the amount of tax that it would have paid on a stand-alone basis;

- Tax savings related to the use of the tax losses of the tax consolidation members will be only temporary since the subsidiaries concerned will still be able to use them. Consequently the tax savings are booked as liabilities towards those subsidiaries; Atos SA is the only liable for any additional tax to be paid in the event of an exit of the subsidiaries from the French tax consolidation.
- Atos SA is the only liable for any additional tax to be paid in the event of an exit of the subsidiaries from the French tax consolidation.

## C. Finance

### C.6. Parent company summary financial statements

At December 2011, decrease and increase of the future tax charge are broken down as follows:

(In EUR thousand)	Basis Decrease	Basis Increase
Non deductible provisions for timing differences	-	1,837
<b>TOTAL</b>	<b>-</b>	<b>1,837</b>

No deferred tax assets or liabilities have been recognized.

#### Breakdown between net income on ordinary activities and non-recurring items

(In EUR thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	47,532	-	47,532
Non recurring items	(12,065)	-	(12,065)
Tax credit	-	8,567	8,567
<b>TOTAL</b>	<b>35,467</b>	<b>8,567</b>	<b>44,034</b>

At December 2011, there is no risk of repayment of the tax credit booked in the frame of the French tax consolidation as per the French tax consolidation agreement.

The tax that would have been booked in the absence of French tax consolidation is an expense of EUR 0.3 million. The total amount of the loss carried forward is EUR 233.2 million.

#### Note 16 Off-balance sheet commitments

(In EUR thousand)	31 December 2011	31 December 2010
Performance Guarantees	2,229,315	1,210,598
Bank guarantees	196	196
<b>TOTAL</b>	<b>2,229,511</b>	<b>1,210,794</b>

For various large long-term contracts, the Group provides performance guarantees to its clients. These guarantees amount to EUR 2,229 million as of December 31<sup>st</sup>, 2011, compared with EUR 1,210 million as of December 31<sup>st</sup>, 2010.

At the end of 2011, new parental guarantees issued in replacement of Siemens was EUR 1,071 million including BBC for GBP 345 million (EUR 414 million) and National Savings for GBP 250 million (EUR 300 million).

In the framework of the contract for the provision of IT services signed by Atos IT Services UK Limited with the International Olympic Committee (IOC), Atos 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 SA issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to EUR 660 million the obligations of its subsidiary, Atos Telco Services BV.

Atos SA has given a EUR 120 million guarantee to the Stichting Pensionfonds Atos. This guarantee is provided to secure the payment obligations of Atos Nederland under the cover ratio mechanism in case of its failure to pay associated sums.

Subsequent to the Cellnet disposal in July 2004, Atos SA still has one outstanding guarantee with Schlumberger related to Citicorp for a total amount of USD 52.2 million (EUR 40 million), which is fully counter-guaranteed by the acquirer of Cellnet, "Cellnet Holdings Corp".

In addition, Atos SA has provided a EUR 29 million guarantee to Chartis Europe in order to counter-guarantee the subsidiary Saint Louis Ré related to insurance cover.

Atos SA or Atos BV have given for various subsidiaries guarantees of general financial support at the request of auditors or to comply with local regulations.

Finally, as part of the general agreement with Siemens in respect of transfer of Siemens It Solutions and Services UK pension liabilities, the Board of Atos SA, during its March 29<sup>th</sup>, 2011 meeting, has agreed to provide a 20 year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 2000 million and can be reduced if less than GBP 2000 million liabilities eventually happen to transfer.

## Note 17 Risk analysis

### Market risks: Fair value of financial instruments

#### Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short term nature of these instruments, the Group considers that the accounting value constitutes a reasonable estimate of their market value as of December 31<sup>st</sup>, 2011.

#### Long and medium term liabilities

As of December 31<sup>st</sup>, 2011, Atos SA presents no long and medium term liabilities related to the syndicated loan.

### Liquidity risk

#### Syndicated loan

The major financing tool of Atos is a EUR 1.2 billion multi-currency revolving facility renewed On April 11<sup>th</sup>, 2011. The maturity of the new revolving credit facility is until April 2016.

The revolving credit facility includes two financial covenants which under the terms are the following:

- The consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) may not be greater than 2.5 times under the multi-currency revolving facility.
- The consolidated interest cover ratio (operating margin divided by the net cost of financial debt) may not be less than four times throughout the term of the multi-currency revolving facility.

#### Securitization program

In March 2009, Atos has renewed his securitization program with Ester Finance, a subsidiary of CALYON rated AA- by Standard & Poors and Aa2 by Moodys for 5 years. The maximum amount of the program is EUR 2000 million.

The trade accounts receivable of certain entities of Atos based in The Netherlands, in France, in the United Kingdom and in Germany are transferred on a recurring basis to this financing institution. This transaction is financed through the issue of commercial notes rated A1P1. This rate is granted due to an underlying deposit made by Atos. The deposit amount is calculated every month and is based on various criteria such as the dilution ratio, the days sales outstanding (DSO), losses, etc.

As of December 31<sup>st</sup>, 2011, the total amount of the trade accounts receivable transferred to Ester Finance amounted to EUR 359 million.

The Group aligned its contractual obligations under this program on the most favorable conditions of the renewable multicurrency credit facilities described above.

#### Convertible bond OCEANE (bond convertible into and/or exchangeable for new or existing shares of Atos)

On October 29<sup>th</sup>, 2009, Atos issued a convertible bond (OCEANE) of EUR 2500 million maturing on January 1<sup>st</sup>, 2016. Annual coupon paid to the bond holders is 2.50%. On July 1<sup>st</sup>, 2011, Atos issued a convertible bond (OCEANE) reserved for Siemens in relation to the acquisition of Siemens It Solutions and Services and maturing July 1<sup>st</sup>, 2016. The annual coupon paid is 1.50%. There is no financial covenant in respect with the convertible bond.

**Liquidity risk at December 31<sup>st</sup>, 2011**

Instruments	Fix / Variable	Line (in EUR million)	Maturity
Syndicated loan	Variable	1,200	April 2016
Securitization program	Variable	200	March 2014
Oceane	Fix	250	January 1 <sup>st</sup> 2016
Oceane Siemens	Fix	250	July 1 <sup>st</sup> 2016

**Credit risk**

The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financial wise, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit exposure as being limited.

**Market risk**

Monetary assets of the Group comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

**Interest rate risk**

The exposure to interest risk encompasses two types of risks:

- A price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the

Company 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 Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities.

- A cash-flow risk on floating-rate financial assets and liabilities. The Group considers that a variation in rates would have little incidence on floating-rate financial assets and liabilities.

Atos 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. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group treasury department.

**Note 18 Related parties**

The transactions made by the company (trade mark fees, financing operations and tax consolidation) are dealt at market conditions.

**Note 19 Subsequent events**

On February 23<sup>rd</sup>, 2012, as the last step of the acquisition process of Siemens IT Solutions and Services, Siemens and Atos have agreed on a settlement leading to a price reduction reflected in the acquisition cost of the shares of Atos IT Solutions and Services GmbH in December 31<sup>st</sup>, 2011.

# D. RISKS, GOVERNANCE AND COMMON STOCK

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<b>D.1</b>	Risk analysis	223
<b>D.2</b>	Corporate Governance	232
<b>D.3</b>	Report of Chairman of the Board of Directors on Corporate Governance and Internal Control	240
<b>D.4</b>	Executive compensation and stock ownership	256
<b>D.5</b>	Resolutions	268
<b>D.6</b>	Code and charts	270
<b>D.7</b>	Common stock evolution and performance	274

## D.1 Risk analysis

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The company conducted a review of risks that could have a material adverse impact on its business, or results (or its ability to achieve its objectives) and considers that there are no other significant risks than those presented hereafter.

### D.1.1 Business risks

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#### D.1.1.1 The market

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In 2011, Financial Services have been the Market most impacted by economic uncertainties with most customers cutting down on IT costs. On the other side of the spectrum, Manufacturing has been the most dynamic Market for IT services, IT being critical to globalization of supply-chain as well as automation of Manufacturing Execution and Product Lifecycle Management. Energy & Utilities customers have been sustaining their IT

investment in the area of smart metering and smart grids. Telecom operators have kept a tight control of their IT spending, keeping demand flat. In spite of the pressure on public spending driven by European debt crisis, Public Services have not dramatically cut their IT spending considering IT investments as a driver of increasing effectiveness and reducing administrative costs.

#### D.1.1.2 Clients

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Excluding Siemens, Group's top 10 customers generate 17% of total Group revenues and top 50 customers generate 37% of total Group revenues.

Former Siemens IT Solutions and Services customers have been fully integrated into Atos customer database and management process.

#### D.1.1.3 Suppliers

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Atos relies on a limited number of key suppliers, in particular for the supply of 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 licenses and agreements with a range of qualified suppliers, thus the possible failure of those suppliers to continue producing innovative software, or

the inability to renew agreements on acceptable terms, may have an adverse impact on Atos operations.

Major risks with key IT, Non-IT and Staffing vendors are managed centrally by the Global Purchasing function. This function is responsible for managing the cost base of Atos and thus the overall relationship with vendors including

## D. Risks, governance and common stock

### D.1. Risk analysis

their identification and selection, contract negotiation, performance and the resolution of claims and litigations.

Regarding the ranking of the main vendors for Atos, the most important one accounts for 9.6% of Group purchases

in 2011, the five biggest represent 21.5% of the total and the first ten amount to 29.0%.

At 31 December 2011, there was no binding commitment with vendors for capital expenditures higher than EUR 5 million.

#### D.1.1.4 Partnerships and subcontractors

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From time to time Atos relies on partnerships and subcontractors to deliver services in particular contexts. Having recourse to third parties is a common practice in the industry but represents a business risk that must be managed carefully on the basis of quality, cost, logistics, development, management and sustainability requirements.

Partnerships may be formed or subcontractors may be used in areas where the Group does not have the specific expertise necessary to fulfill 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 operational team evaluating the proposal or in specific case at Group level.

Recourse to subcontractors is managed by Global HR Workforce Managers working in the GBU's and through contracts set up by Buyers from Global and/or local Purchasing. They are subject to the same purchasing processes and policies as all other categories.

At the end of 2011, the Group had approximately used 8,000 full-time equivalents subcontractors either for their specific skills or to satisfy business demand.

#### D.1.1.5 Acquisition / External growth risk

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Acquisitions / external growth operations may have adverse impacts on the achievement of the objectives of the group, especially in the case of:

- Under-performing contracts that would not have been properly identified during the acquisition process.
- Ineffective integration efforts that would prevent reaching expected level of synergies.

In the context of the acquisition of Siemens IT Solutions and Services, Atos has rolled out an integration program closely monitored by General Management through a

weekly "integration committee". As previously detailed in this document, the TOP<sup>2</sup> program aimed to improve efficiency in Siemens IT Solutions and Services through the use of the Atos's best practices, and included notably an extensive review of contracts at risk in all countries in order to raise the appropriate claim to Siemens within due date.

#### D.1.1.6 Risks related to contracts / projects' execution

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The IT services provided to customers are a critical element for the performance of their commercial activities. Oftentimes IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency

in the performance of services, either related to delays or to unsatisfactory level of services, may result in significant prejudicial consequences to the clients of the customer and may result in penalty claims or litigations. Below are some of the key risks Atos needs to manage.



#### **Degraded performance resulting from third party products and/or product customization:**

Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the service provider cannot control. In addition, particular requirements from certain clients who wish for specific functionalities may disrupt the operation of the product or generate significant delays or difficulties in providing the services.

#### **Exposure due to assessment or delivery failures:**

Also, it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the service provided.

In 2011, the split of revenue for Systems Integration was as follows: one third in applications management, one third in fixed-rate projects and one third in management. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun, and lead to

an operating loss, by exceeding budget or payment of penalties for late performance.

The Group seeks to minimize the risks described above through a rigorous review process right from the offer stage. A dedicated specific process is in place, called Atos Rainbow, under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This allows the Group to take any mitigating action where appropriate and follow up on outstanding actions.

In 2009, the Atos™ Rainbow process has been extended to the execution phase of the contract, including updating the risk assessment. The Rainbow process is now in use in every countries where the Group operates.

Periodical risk reviews are performed on major contracts with a view to enhancing control over any excess for projects and to following up all types of possible delivery and any performance issues.

#### **D.1.1.7 Technology and IT risks**

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IT system breakdowns could be critical both for the internal operations of the Group and for its customers' needs in respect of the services provided. The Group has implemented specific programs 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 centers, maintenance centers and data-centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, 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.

#### **D.1.1.8 Regulation risks**

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The activities of the group are in general not subject to specific legal, administrative or regulatory authorizations.

However, activities related to payments in Belgium and Buyster (operated with the main telecommunication

operators in France) are subject since 2011 to the European Payment Institution regulation. A dedicated follow-up is performed to ensure that the requirements of this regulation are met by the concerned entities.

## D. Risks, governance and common stock

### D.1. Risk analysis

#### D.1.1.9 Counterparty risk

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Payment services expose Atos to a counterparty risk in the case a counterparty (mainly card issuer client) would be in default while the clearing and settlement are processed (which may take a few days depending on the type of processing, the day of the week and the card scheme).

To mitigate these risks, Atos Worldline has developed a methodology for:

- defining the type of risks, calculating and managing risk exposures,
- evaluating and monitoring its counterparties' financial standing.

The main objective is to mitigate the impact of significant counterparty credit events on the company. This framework will be deployed operationally in 2012.

#### D.1.1.10 Reputation risks

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Media coverage of possible difficulties, especially related to the implementation of significant or sensitive projects, could affect the credibility and image of the Group towards

its customers, consequently, its ability to maintain or develop some activities.

#### D.1.1.11 Human Resources

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##### **Dependence on qualified personnel**

In today's IT services market, providers remain dependant on the skills, the experience and the performance of its staff and the key members of its management teams. The success of organizations in this field of play depends on the ability to retain key qualified staff and to use their competences for the benefit of the customers. Atos is focused on providing challenging career opportunities and job content. Over the reporting period, Atos has been able to continue its focus on employability furthermore developing the workforce management and offering better career perspective supported by competency development through the Atos University programs, particularly in 2011 dedicated and focused efforts on experts (architects, solutions, and program managers) and on our sales workforce.

##### **Employee attrition**

To enhance our ability to attract and retain staff, the Human Resources department has developed competitive rewarding structures. In addition it has continued to strengthen the internal offerings for training and development programs through the Atos University using e-learning techniques. During 2010, specific attention was given to critical competencies, such as Sales, Project Management, SAP, Lean and Talent Development; resulting in lower attrition in the targeted groups of people. Meanwhile, wider distance learning opportunities have

been made available for thousands of employees on English language, as well as IT and business topics. These programs allowed faster adaptation of people to clients' needs and greater mobility, which also balanced attrition.

##### **Offshoring**

Atos increasingly fulfils its client contracts using closesshore, nearshore and offshore facilities in order to optimize its cost structure. Offshoring is used by the main countries of the Group in Systems Integration and Managed Operations. To keep up with increasing demand, the Group developed its nearshore/offshore capacity with more than 6,278 staff at the end of December 2010. The combination of insourcing and offshoring for the delivery of projects led the Group to adapt and to optimize the insourced resources to other contracts. Given our ongoing need to attract and to deploy human resources, the Group made sure it was able to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company are certified. Atos is therefore well positioned and ready in any case of business risk associated to offshoring.

### D.1.1.12 Legal risks

IT services delivered to clients are sometimes essential to the execution of their commercial activities and the IT solutions often play a decisive role in the development of these companies. Any inappropriate implementation of sensitive IT systems or any deficiency in the execution of these performances, due to delays or due to an unsatisfactory level of services, can cause important and harmful consequences to the clients of the service provider, and a possible penalty or liability claim.

More particularly, the activity "Systems Integration" is in part dependent on products (software as much as equipment, standard ones or adjusted to specific functionalities) created and developed by third parties, over which, by definition, the service provider cannot have control. In addition, the particular demands of certain clients, wishing to benefit from specific functionalities, can

disrupt the product functionalities or cause important delays or difficulties in the completion of these services.

Also, in the IT sector, it is common practice that some contracts are invoiced on a fixed price basis while others on a time and materials basis. The total turnover of the activity "Systems Integration" as of 31 December 2011 is distributed as follows: Applicative Maintenance and Fixed Prices Projects represent respectively one third and two thirds of the Services Line. For Q4 2011, the turnover for "Systems Integration" remained stable as compared to last year. For fixed priced contracts, an incorrect estimate of the extent of work to realise or of the funds to dedicate to a particular project can cause a cost overrun or a breach of the contractual deadlines, and could lead to operating losses, through overrun costs or payment of late fees.

### D.1.1.13 Business risk assessment and management

Atos Origin has a robust business risk management approach reinforced during the last two years, based on two critical 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 technical, legal 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 initiated 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 optimize the use of exposed capital.

A major enhancement of the contract monitoring process has been designed to monitor all contracts on a monthly basis using the Rainbow Delivery Dashboard, providing status on both financial, delivery and technology, customer, legal and supplier KPIs. In case of deviating KPIs, a specific Rainbow Delivery review is organized on this contract.

Rollout has started for the major contracts in 2010 and was pursued in 2011, including the newly acquired business from Siemens.

#### Risk Management and Rainbow management

The control and approval process governing the bidding and contracting activities report to the Group Vice President in charge of Risk Management and Bid Control, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

## D. Risks, governance and common stock

### D.1. Risk analysis

Risk Management reports directly to the Group Chief Financial Officer, with the risk managers in the countries and the Global Service Lines reporting directly into the Group Vice President Risk Management and Bid Control, shortening lines of command.

#### Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts and the difficult ones. The Committee is chaired by the Group CFO and lead by the Vice President Risk and Rainbow Management. Permanent members of the Committee

include the Senior Executive Vice President Operations, Executive Vice Presidents in charge of the Global Service Lines and several representatives from Global Functions, including Finance, Legal, and Internal Audit. Twice a year, the Audit Committee conducts a thorough review of all the major contracts considered at risk in the context of the preparation of the closing with an update process in place every quarter. There is then a follow-up either by the service line or the Risk Management Committee.

### D.1.2

#### Financial markets risks

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Atos has not been affected by the liquidity crisis that has impacted the financial markets over the past years.

The Group proceed to a specific review of its liquidity risk and considers to be able to face future requirements. Atos' 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.

On 11 April 2011, Atos signed with a number of major financial institutions a five-year EUR 12 billion credit facility that will mature in April 2016. The facility is available for general corporate purposes and has replaced the existing EUR 12 billion facility that was expiring in May 2012.

Atos Origin has renewed its trade receivables securitization program on March, 6<sup>th</sup> 2009 for a period of 5 years with a maximum amount of EUR 500 million marketable debt and a maximum of EUR 200 million funding amount. Securitization program financial covenants are in line with those of the EUR 12 billion multi-currency credit facility.

On 29 October 2009 Atos Origin issued a convertible bonds into and/or exchangeable for new or existing shares (OCEANE) due on January 1<sup>st</sup> 2016 with an aggregate principal amount of EUR 250 million. The annual coupon paid to the holders of bonds amounted to 2.5%.

As part of the acquisition of Siemens IT Solutions and Services GmbH, on the completion date of the Contribution, Atos issued 5.4 million bonds convertible and / or exchangeable into new or existing shares of Atos with an aggregate nominal value of EUR 250 million to Siemens Inland (Siemens Beteiligungen Inland GmbH) at a subscription price of EUR 250 million. In addition, Siemens Inland has received shares of Atos representing 15 per cent of the share capital of Atos and has become the second largest shareholder of Atos.

More details on liquidity risk, cash flow interest rate risk, currency risk, market value of financial instruments, price risk and credit risk are described within the "Financial risk management" sections in this document (C.4.7.4) and note 23 to the consolidated financial statements C.5).

The risk on shares is limited to self-held shares.

## D.1.3

## Insurance

Global insurance policies are placed with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2011 represented circa 0.20% of total Group revenue.

The most important global insurance programs are bought and managed centrally at renewal on 1<sup>st</sup> January each year. In 2011 the Property Damage and Business Interruption policy and Professional Indemnity policy were both renewed for limits respectively of EUR 200 million and EUR 150 million. Several additional policies cover insurable business risks such as general liabilities, a fleet and are maintained at cover limits commensurate with the Group's size and risk exposures. Ex Siemens IT Solutions and Services operations and sites have been integrated into Atos global insurance programs since 1<sup>st</sup> of July 2011. Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance company provides insurance for some layers of the property policy and for the professional indemnity policy, which are the most critical policies for the Group operations. For damages covered by the property policy, the first EUR 0.5 million are covered (per claim) and total annual losses of

EUR 2 million. The maximal net retention after reinsurance is therefore EUR 2 million, on top of the applicable deductibles which vary between EUR 25,000 and EUR 75,000 per site, and as long as the EUR 200 million limit is not reached. For claims under the professional indemnity policy the Atos reinsurance company would cover the first EUR 10 million as well as a quota share of the upper layers in case of a catastrophe claim. Maximum net retention after reinsurance is therefore EUR 23 million in aggregate on top of the applicable deductible of EUR 2 million per claim, and as long as the EUR 150 million limit is not reached.

Insurable losses are not a frequent occurrence. 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 offers and contracts a uniform and mandatory process of risk management is used as described in previous chapter.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company who maintains adequate net equity and technical reserves commensurate with the level of insured risks, and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analysis to monitor the relevance of Atos Origin insurance cover.

## D. Risks, governance and common stock

### D.1. Risk analysis

#### D.1.4 Claims and litigation

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The Atos Group is a global business operating in some 48 countries. In many of the countries where the Group operates there are no claims, and in others there are only a very small number of claims or actions made against the Group. Having regards to the Group's size and revenue, the level of claims is kept low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services performed by the Group and the intervention of a fully dedicated Risk Management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues and claims. All potential and active claims are carefully monitored, reported and managed in an appropriate manner.

In 2011, the number of claims in the group increased proportionally because of the of claims that it acquired with acquisition of Siemens IT Solutions and Services. This new portfolio of claims has been thoroughly reviewed and risk assessed, and is well managed.

During 2011 some significant claims made against the Group were successfully resolved in terms favorable to the Group.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of 31 December 2011, to cover for the identified claims and litigations, added up to EUR 69.8 million (including tax and social contribution claims but excluding labor claims).

##### D.1.4.1 Tax and Social Contribution claims

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The Group is involved in a number of routine tax & social contribution claims, audits and litigations. Such claims are usually solved through administrative non-contentious proceedings.

A significant number of the tax & social contribution claims are in Brazil, where Atos is a defendant in some cases and a plaintiff in others. Such claims are typical for companies operating in this region. Proceedings in this country usually take a long time to be processed. In other

jurisdictions, such matters are normally resolved by simple non contentious administrative procedures.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a tax (Stamp Duty) re-imbusement of an amount over EUR 9 million.

The total provision for tax & social contribution claims, as inscribed in the consolidated accounts closed as at 31 December 2011, was EUR 27.2 million.

##### D.1.4.2 Commercial claims

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There is a small number of commercial claims across the Group.

Some claims were made in 2006 by a company for services allegedly supplied to the Group in the past. After a thorough investigation, the Group concluded that the claims were not legitimate. These claims were thus rejected, no payment was made by the Group and, consequently, several judicial proceedings were made. These proceedings are still pending before the courts.

There were a number of significant on-going commercial cases in various jurisdictions that the group acquired

through the acquisition of Siemens IT Solutions and Services. Most of these cases involve claims on behalf of the group and some of them have already been successfully resolved.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at 31 December 2011, was EUR 37.7 million.

### D.1.4.3 Labor claims

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There are nearly 74,000 employees in the Group and relatively few labor claims. In most jurisdictions there are no or very few claims. Latin America is the only area where there is a significant number of claims but such claims are usually of low value and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in France, Brazil and the UK, but in the Group's

opinion most of these claims have little or no merit and are provisioned appropriately.

There are 31 claims against the Group which exceed EUR 200,000. The provision for these claims, as inscribed in the consolidated accounts closed as at 31 December 2011, was EUR 4.8 million.

### D.1.4.4 Representation & Warranty claims

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To the knowledge of the Company, no company of the Group is a party to a representation & warranty claim arising out of an acquisition or a disposition.

### D.1.4.5 Miscellaneous

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To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past twelve months

on the Company's and the Group's financial situation or profitability.

## D.1.5

### Country risks

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Atos operates in 48 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect

of portions of the business with a lower operational margin as well as activities considered as being non core business. A project leader is assigned to this task, supported by the legal, tax, and finance departments.

## D.2 Corporate Governance

Since 10 February 2009, Atos has been incorporated in France as a "Société Anonyme" (public limited company) with a Board of Directors. Since then, Thierry Breton has been its Chairman and Chief Executive Officer. The change from a Supervisory Board and a Management Board structure to a system with a Board of Directors and Chairman and Chief Executive Officer has simplified and unified the Company's governance so as to adapt it to its

specific situation. This governance has allowed for the necessary proactivity to a successful integration following the purchase of Siemens IT Solutions and Services on 1<sup>st</sup> July 2011; and which also allows to implement the transformation of the Group (steering of the TOP<sup>2</sup> Program - Total Operational Performance) and to lead all necessary actions to ensure growth and profitability.

### D.2.1 Legal Information

#### D.2.1.1 Corporate form and purpose

- **Company name** (article 3 of the articles of association): Atos.
- **Legal form** (article 1 of the articles of association): Limited Liability Company (société anonyme) with a Board of Directors governed by articles L.225-1 and seq. of the French Commercial Code.
- **Corporate purpose** (article 2 of the articles of association): The Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors;
  - the research into, study, realization and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems;
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell

all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances; - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above mentioned purposes.

- **Nationality:** French.
- **Registered office and principal place of business** (article 4 of the articles of association): 80 quai Voltaire - 95870 Bezons, France - +33 (0)173260000.
- **Registered** in Pontoise under Siren number 323 623 603.
- **Business identification code** (NAF code): 7010Z.
- **Date of incorporation:** 1982.
- **Term:** up to 2 March 2081.
- **Fiscal year** (article 36 of the articles of association): 1 January to 31 December.
- **Common stock as at 31 December 2011:** The Group's common stock amounted to EUR 83,566,768 divided into 83,566,768 shares with a par value of EUR 1.00 each.

#### D.2.1.2 Provision of the articles of association

##### **Board of Directors (articles 13 and 14 of the articles of association)**

The Company is managed by a Board of Directors. The term of office of directors is three years. Each Board member is required to own at least 1,000 Company shares during the term of his or her office (article 15 of the article of association - this rule however does not apply to the director representing employee shareholders).

##### **Chairman (article 21 of the articles of association)**

The Board of Directors elects a Chairman among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at Shareholders' Meetings. He oversees the proper functioning of the Company's bodies and makes sure, in particular, that the directors are able to carry out their assignments.



#### **Chief Executive Officer (article 22 of the articles of association)**

Pursuant to the choice made by the Board of Directors, the general management is handled either by the chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the company's purpose and what the law and the articles of association expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

#### **Decisions of the Board of Directors (article 18 of the articles of association)**

Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting is called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman will have the casting vote.

#### **Powers of the Board of Directors (article 17 of the articles of association)**

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of shareholders and within the limits of the Company's purpose, it handles all matters involving the proper functioning of the Company and settles matters through its deliberations.

The sale of real estate, the total or partial transfer of shares and the constitution of sureties on company assets requires the prior authorization of the Board of Directors.

#### **Related-party agreements (article 25 of the articles of association)**

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of the members of the Board of Directors or one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a Company shareholder, the company that controls it in the meaning of article L.233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the directors of the Company is an owner,

indefinitely responsible partner, manager, director, member of the supervisory board or, in general, a director of this company, are also subject to prior authorization. Such prior approval does not apply to agreements covering standard operations that are concluded in normal conditions.

#### **Directors' compensation (article 20 of the articles of association)**

The aggregate amount of attendance fees (jetons de présence) of the Board of Directors is determined at the Ordinary General Meeting of the shareholders. The Board of Directors then divides this aggregate amount up among its members by a simple majority vote. In addition, exceptional compensation may be granted to directors in particular for special assignments in committees.

#### **Directors' Age Limits (article 14 of the articles of association)**

The number of directors who have reached the age of 70 may not exceed one third of the total number of directors in office at any time.

#### **Rights, privileges and restrictions attached to shares**

##### **Voting rights**

Each shareholder is entitled to one vote per share at any shareholders' General Meeting. Each share carries one voting right.

##### **Attendance at shareholders' meetings (article 28 of the articles of association)**

All shareholders may participate in General Meetings either in person or by proxy. Shareholders may vote in person, by proxy or by mail.

The right of shareholders to participate in General Meetings is subject to the recording of their shares on the third business day, zero hour (Paris time), preceding the General Meeting: (i) for holders of registered shares in the registered shareholder account held by the Company or on its behalf by an agent appointed by it; and (ii) for holders of bearer shares in the bearer shareholder account held by the accredited financial intermediary with whom such holders have deposited their shares (such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate enabling them to participate in the General Meeting).

All shareholders are bound by the decisions of shareholders' General Meetings made in accordance with applicable laws and the articles of association.

## D. Risks, governance and common stock

### D.2. Corporate Governance

#### **Information concerning the identity of holders of bearer shares (article 9.3 of the articles of association)**

The Group is entitled, at any time, to request Euroclear to disclose the identity of holders of bearer shares.

#### **Changes to shareholders' rights**

Any amendment to the articles of association, which set out the rights attached to the shares, must be approved by a two-third majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

#### **Conditions governing the means for calling Annual Shareholders' Meetings and extraordinary Shareholders' Meetings, including the conditions for admission to such Meetings (Articles 34 and 35 of the articles of association)**

General Meetings are considered to be "Extraordinary" when the decisions relate to a change in the articles of association or Company's nationality or where required by law; and, "Ordinary" in all other cases.

General Meetings are called and conducted in accordance with the terms and conditions of French law.

Meetings are held at the corporate headquarters or at any other place.

General Meetings are chaired by the Chairman of the Board of Directors, or, in his absence, by a director specially appointed for this purpose by the Board of Directors. Failing all of the above, the General Meeting can elect its own Chairman.

#### **Provisions on disclosure of threshold crossing (Notices that must be made to the company -Article 10 of the articles of association)**

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire or cease to hold, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, a multiple of 1% are required to inform the Company, by registered letter with return receipt requested, within 5 days from the date on which one of these thresholds is crossed, of the total number of shares held directly, indirectly or in concert.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings held during a two-year period following the date or filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital.

The same information obligation applies, within the same delays and same conditions, each time fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

#### **Financial statements (articles 37, 38 and 39 of the articles of association)**

##### **Legal Reserve**

5% of the unconsolidated statutory net profit for each year has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the aggregate par value of the issued and outstanding share capital.

##### **Approval of dividends**

Dividend payments are approved by General Meeting of Shareholders, in accordance with articles L.232-12 to L.232-18 of the French Commercial Code.

##### **Other commitments**

Potential commitments with shareholders are described in the "Common stock evolution and performance" of this report.

##### **Control of the issuer**

No provisions in the articles of association, or in any charter or regulation, may delay, postpone or prevent a change in the Company's management.

## D.2.1.3 Board of Directors

Director	Background/Directorships
<p><b>Thierry BRETON</b>            Number of shares: 5,000            Date of birth: 15/01/1955            Nationality: French            Date of appointment: 10 February 2009            Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>Chairman and Chief Executive Officer of Atos</b></p> <p><b>Background</b>            Graduate of the Ecole Supérieure d'Electricité "Supelec" of Paris and of the Institut des Hautes Etudes de Défense Nationale (IHEDN)</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>France:</i>  <b>General Manager:</b> Atos International SAS  <b>Director:</b> Carrefour</p> <p><b>Positions held during the last five years</b>  <b>Minister</b> of Economy, Finance and Industry (France)</p>
<p><b>René ABATE*</b>            Number of shares: 1,000            Date of birth: 27/08/1948            Nationality: French            Date of appointment: 10 February 2009            Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>Managing partner of Delphen SARL</b>  <b>Senior advisor of The Boston Consulting Group</b></p> <p><b>Background</b>            Graduate of the "Ecole Nationale des Ponts et Chaussées" and of the Harvard Business School</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>France:</i>  <b>Director:</b> Carrefour, Laboratoire Français du Fractionnement et des Biotechnologies (LFB), «L'ENVOL pour les enfants européens» (charity)</p> <p><b>Positions held during the last five years</b>  <b>Director:</b> Ecole Nationale des Ponts et Chaussées</p>
<p><b>Nicolas BAZIRE*</b>            Chairman of the Appointments and Remunerations Committee            Number of shares: 1,000            Date of birth: 13/07/1957            Nationality: French            Date of appointment: 10 February 2009            Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>General Manager Groupe Arnault SAS</b></p> <p><b>Background</b>            Degree from Ecole Navale and from the Institut d'Etudes Politiques de Paris (IEP)            Former student at the Ecole Nationale d'Administration (ENA)</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>France:</i>  <b>Member of the Supervisory Board:</b> Montaigne Finance SAS, Semyrhamis SAS, Rothschild and Cie Bank  <b>Vice-President of the Supervisory Board:</b> Les Echos SAS  <b>Deputy General Manager and Permanent Representative:</b> Groupe Arnault SAS  <b>Director:</b> Financière Agache SA, LVMH Moët Hennessy Louis Vuitton SA, Agache Développement SA, Europatweb SA, Financière Agache Private Equity SA, Groupe les Echos SA, LVMH Fashion Group SA, Suez Environnement Company, Carrefour, Fondation Louis Vuitton pour la Création (foundation)</p> <p><b>Positions held during the last five years</b>  <b>President:</b> Invry SAS, La Tour du Pin SAS, Société Financière Saint-Nivard SAS  <b>President of the Supervisory Board:</b> LVMH Fashion Group SA  <b>Member of the Supervisory Board:</b> Lyparis SAS, Sifanor SAS  <b>Deputy General Manager:</b> Montaigne Participations and Gestion SA  <b>Director:</b> Amec, Ipsos SA, Marignan Investissements SA, Tajan SA and Go Invest SA (Belgium)  <b>Permanent Representative:</b></p> <ul style="list-style-type: none"> <li>• of Sifanor SA as director of Agache Développement SA</li> <li>• of Eurofinweb as director of Europatweb France SA</li> <li>• of Montaigne Participations et Gestion SA as President of Gasa Développement SAS</li> <li>• of Montaigne Participations and Gestion SA as member of the Supervisory Board of Paul Doumer Automobiles SAS</li> </ul>

## D. Risks, governance and common stock

### D.2. Corporate Governance

Director	Background/Directorships
<b>Jean-Paul BECHAT*</b> Chairman of the Audit Committee Number of shares: 1,000 Date of birth: 02/09/1942 Nationality: French Date of appointment: 10 February 2009 Term expires on: AGM ruling on the accounts of the 2011 financial year	<b>Manager of SARL ARSCO</b> <b>Background</b> Degree from Ecole Polytechnique - Master in Science from Stanford University (USA) <b>Other directorships and positions on 31 December 2011</b> <i>France:</i> <b>Director:</b> Alstom, Sogepa <b>Honorary President and member of the Board:</b> Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS) <b>Positions held during the last five years</b> <b>Chairman of the Management Board:</b> Safran <b>Member of the Supervisory Board:</b> IMS
<b>Roland BUSCH</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 22/11/1964 Nationality: German Date of appointment: 1 <sup>st</sup> July 2011 Term expires on: AGM ruling on the accounts of the 2013 financial year	<b>Director of Siemens AG (Germany)</b> <b>Background</b> Baccalaureate Studied physics at the Friedrich Alexander University in Erlangen-Nuremberg (Germany) and at the University of Grenoble (France), Doctorate from the Friedrich Alexander University (Germany) <b>Other directorships and positions on 31 December 2011</b> <i>Abroad</i> <b>Chief Executive Officer:</b> Sector Infrastructure & Cities and Cluster Asia-Pacific, Siemens (Germany) <b>Positions held during the last five years</b> <b>President and Chief Executive Officer:</b> de Siemens VDO Automotive Asia Pacific Co. Ltd., Shanghai (China) <b>Head:</b> Mass Transit Division, Transportation Systems Group (TS) and Corporate Strategies, Corporate Development Department of Siemens (Germany)
<b>Jean FLEMING</b> Director representing the employee shareholders Number of shares: 640 Date of birth: 04/03/1969 Nationality: British Date of appointment: 26 May 2009 Term expires on: AGM ruling on the accounts of the 2012 financial year	<b>Human Resources Director at Atos (United Kingdom)</b> <b>Background</b> MSc Human resources (South Bank University, London) BA (Hons) in Brunel University (United Kingdom) <b>Other directorships and positions on 31 December 2011</b> None <b>Positions held during the last five years</b> None
<b>Bertrand MEUNIER*</b> Member of the Appointments and Remunerations Committee Number of shares: 1,000 Date of birth: 10/03/1956 Nationality: French Date of appointment: 10 February 2009 Term expires on: AGM ruling on the accounts of the 2011 financial year	<b>Chairman of M&amp;M Capital SAS</b> <b>Background</b> Graduate from Ecole Polytechnique Master degree in Mathematics <b>Other directorships and positions on 31 December 2011</b> <i>France</i> <b>Chairman:</b> Financière Le Play SAS <b>Positions held during the last five years</b> <b>Director:</b> Chr. Hansen (Denmark), Gruppo Coin, Saeco (Italy), Kaufman & Broad, Spie and Yoplait (France), Monier, Xella (Germany), PAI Europe III General Partner, PAI Europe IV General Partner, PAI Europe V General Partner, PAI Syndication GP (Guernsey), PAI Partners (Spain), Perstorp (Sweden), PAI Europe IV UK, United Biscuits (United Kingdom)

Director	Background/Directorships
<p><b>Aminata NIANE*</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 09/12/1957 Nationality: Senegalese Date of appointment: 27 May 2010 Term expires on: AGM ruling on the accounts of the 2012 financial year</p>	<p><b>Managing Director of the National Agency for the Promotion of Investment and Large-scale Infrastructure (APIX) renamed APIX SA (Senegal)</b></p> <p><b>Background</b> MBA from Birmingham Business School (University of Birmingham, United Kingdom) Engineer in Sciences and Technologies for the Food Industry (Institut des Sciences de l'Ingénieur; Université des Sciences et Techniques du Languedoc) Master degree in Chemistry</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>Abroad</i> <b>Chairman of the Board of Directors:</b> Société Aéroport International Blaise Diagne (ABID SA, Senegal) <b>Director:</b> Association « Partenariat pour le Retrait et la Réinsertion des Enfants de la Rue »</p> <p><b>Positions held during the last five years</b> <b>Chairman of the Board of Directors:</b> Société Aéroport International Blaise Diagne (ABID SA, Senegal) <b>Director:</b> Association « Partenariat pour le Retrait et la Réinsertion des Enfants de la Rue »</p>
<p><b>Michel PARIS</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 09/09/1957 Nationality: French Date of appointment: 10 February 2009 Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>Managing Director of PAI Partners</b></p> <p><b>Background</b> Graduate from Ecole Centrale of Lyon and from Ecole Supérieure de Commerce of Reims</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>France</i> <b>Chief Investment Officer and Managing Director:</b> PAI Partners <b>Director:</b> Kiloutou</p> <p><i>Abroad</i> <b>Director:</b> Xella (Germany), Cortefiel (Spain), Hunkemöller (the Netherlands), Perstorp (Sweden), Swissport and The Nuance Group (Switzerland)</p> <p><b>Positions held during the last five years</b> <b>Director:</b> Monier (Germany) Saur, Vivarte, Elis, Kaufman &amp; Broad (France), Gruppo Coin (Italy), Speedy 1 Ltd (United Kingdom)</p>
<p><b>Pasquale PISTORIO*</b> Member of the Appointments and Remunerations Committee Number of shares: 1,000 Date of birth: 06/01/1936 Nationality: Italian Date of appointment: 10 February 2009 Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>Chairman of the Pistorio foundation (Switzerland) (charity)</b></p> <p><b>Background</b> Graduate in Electrical Engineering from the Polytechnic School of Torino</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>Abroad</i> <b>Honorary Chairman:</b> STMicroelectronics Corporation (Switzerland), ST Foundation and of the Kyoto Club (Italy) (charities) <b>Independent director:</b> Fiat S.p.A. et Brembo S.p.A. (Italy) <b>Director:</b> Accent (Luxembourg)</p> <p><b>Positions held during the last five years</b> <b>Director, then President:</b> Telecom Italia (Italy) <b>President, then independent Director:</b> Sagem Wireless (now Mobiwire-up) <b>Vice-president:</b> Confindustria pour l'Innovation et la Recherche (Italy) <b>Director:</b> Chartered Semiconductor Manufacturing Ltd (Singapore)</p>

## D. Risks, governance and common stock

### D.2. Corporate Governance

Director	Background/Directorships
<p><b>Vernon SANKEY*</b> Member of the Audit Committee Number of shares: 1,000 Date of birth: 09/05/1949 Nationality: British Date of appointment: 10 February 2009 Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>President of Firmenich SA (Suisse)</b></p> <p><b>Background</b> Master of Arts in Modern Languages, Oriel College, Oxford (United Kingdom)</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><b>Abroad</b> <b>Chairman, former Director:</b> Harrow School Enterprises Ltd (United Kingdom) <b>Director:</b> Zurich Financial Services AG (Suisse) <b>Advisory Board member:</b> GLP Llp (United Kingdom) <b>Member:</b> Pi Capital (private equity investment group) (United Kingdom)</p> <p><b>Positions held during the last five years</b> <b>Chairman:</b> Photo-Me International plc (United Kingdom) <b>Director:</b> Firmenich (Switzerland), Zurich Financial Services AG (Switzerland), Cofra AG (Switzerland), Taylor Woodrow Plc (United Kingdom), Vividas Group Plc (United Kingdom) <b>Advisory Board member:</b> Proudfoot UK (United Kingdom)</p>
<p><b>Lionel ZINSOU-DERLIN</b> Number of shares: 1,000 Date of birth: 23/10/1954 Nationality: French and Beninese Date of cooptation by the Board of Directors: 21 January 2010 Ratified by the AGM of 27 May 2010 Term expires on: AGM ruling on the accounts of the 2011 financial year</p>	<p><b>Chairman of PAI Partners</b></p> <p><b>Background</b> Professor in Economy and Social Science - Ecole des Sciences Politiques de Paris graduate - Master in economy History, Bachelor's degree in Humanities and History - Ecole Normale Supérieure (Ulm) in Humanities</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><b>France</b> <b>Chairman of the Executive Committee:</b> PAI Partners Chairman of the Supervisory Board: Domaines Barons de Rothschild (DBR) Member of the Supervisory Board: Financière Gaillon 12 SAS <b>Manager:</b> Sofia-Société Financière Africaine Director: Strategic Initiatives and of Kaufman &amp; Broad</p> <p><b>Abroad</b> <b>Vice president of the Board of Directors:</b> CHR HANSEN Holding AS (Sweden) <b>Director:</b> PAI Europe III General Partner Ltd, PAI Europe IV General Partner Ltd, PAI Europe V General Partner Ltd, PAI Syndication GP Ltd (Guernsey) <b>Deputy Director:</b> United Biscuits Topco Ltd (United Kingdom)</p> <p><b>Positions held during the last five years</b> <b>Director:</b> Sodima SAS, Yoplait France SAS, Yoplait Marques Internationales SAS et Yoplait SAS, Financière Spie SAS and Spie SA (France), CHR Hansen Holding AS (Sweden) <b>Manager:</b> Star Ladybird SARL (former Capucine Investissement) et de Cerberus Nightingale 1 SARL (former Financière Capucine 3)</p>

\*Independent Director

Censor	Background/Directorships
<p><b>Colette NEUVILLE</b>            Number of shares: 500            Date of birth: 21/01/1937            Nationality: French            Date of appointment:            1<sup>st</sup> June 2011            Term expires on: AGM ruling            on the accounts of the 2011            financial year</p>	<p><b>Chairman (founder) of ADAM</b></p> <p><b>Background</b>            Graduate from law school with honors, Master degree in Political Economy and Economics. Graduate from Institut d'Etudes Politiques de Paris (public service section)</p> <p><b>Other directorships and positions on 31 December 2011</b></p> <p><i>France</i>  <b>Director</b>: Groupe Eurotunnel, ARCAF (association des fonctionnaires épargnants pour la retraite)  <b>Member</b>: European Forum for Corporate Governance, with the Euroiopean Commission, of the consultative committee "Epargnants et actionnaires minoritaires" of the 'AMF, of the Conseil de Gouvernance de l'Ecole de Droit &amp; Management de Paris</p> <p><b>Positions held during the last five years</b>  <b>Member of the Supervisory Board</b>: Atos SA  <b>Director</b>: Euroshareholders (European federation of shareholders' associations)</p>

#### Declarations related to the members of the Board of Directors

To the best knowledge of Atos, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business.

#### Declarations related to the potential interest and agreements

To the best knowledge of Atos, there are no existing service agreements between the members of the Board of Directors and Atos or one of its subsidiaries which would provide for benefits.

To the best knowledge of Atos, except in the case of Dr. Roland Busch whose appointment was submitted pursuant to the agreements signed with Siemens for the acquisition of Siemens IT Solutions and Services, which provided for the possibility for Siemens to submit an applicant as a director of the Company; there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory organ or as a member of the general management of Atos.

To the best knowledge of Atos, there are no parental relationships between any of the legal representatives of the Company.



## D.3 Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

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Dear Shareholders,

Pursuant to article L.225-37 of the French Commercial Code, as Chairman of the Board of Directors of Atos (hereinafter the "Company"), let me present first of all the preparation and organization conditions of the work of the Board of Directors since January 1<sup>st</sup>, 2011, and secondly, the internal control procedures set up within the Atos Group.

The Board of Directors approved this Report during its meeting of 29 March 2012.

### D.3.1 Corporate Governance

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Since February 10, 2009, the Company is composed as a "société anonyme" (public limited company) with a Board of Directors and a Chief Executive Officer.

This governance structure, tailored to the Group's situation, allows for the necessary reactivity to ensure growth and company profitability in the tough current economic environment, as well as to take up the challenges relating to the successful integration of Siemens IT Solutions and Services.

The Board decided not to separate the functions of Chairman of the Board and Chief Executive Officer in order to comply with its announced commitments to the shareholders when transforming the Company's governance. The powers of the Chairman of the Board and Chief Executive Officer are described in the "Legal information" section of the Reference Document.

The Company determined the compensation and benefits of its managers and representatives according to a set of rules and principles described in the "Executive compensation and stock ownership" section of the Reference Document.

The rules relating to the participation of shareholders in the General Meetings are described in the "Legal information" section of the Reference Document.

The factors that can exert influence on the public takeover bids are described in the "Legal information" section of the Reference Document.

#### Frame of reference on Corporate Governance

French legislation and rules published by market regulatory authorities apply to the Company's corporate governance.

The Company refers to the recommendations set out in the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF and has decided to use the Code as a reference in terms of corporate governance. This Code is available on the following website: [www.code-afep-medef.com](http://www.code-afep-medef.com).

The Code of Corporate Governance was adopted by the AFEP-MEDEF on 23 December 2008 and is now the new frame of reference. Since its adoption, the Board of Directors committed to perform a yearly review of the implementation of these rules, and to publish the review of the recommendations of the AFEP-MEDEF.

Therefore, the Board of Directors held a meeting on 22 December 2011 on the yearly review of the implementation of the rules of governance. The Board also relied on the specifications brought on a later date by the reports of the Autorité des Marchés Financiers (AMF), and by the AFEP-MEDEF, on the implementation of these recommendations.

Following this meeting, the Board considered that the mechanism put in place by the Company on corporate governance matters, especially concerning the compensation of legal representatives, was consistent with the recommendations of the AFEP-MEDEF.



### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

The detailed elements taken into consideration by the Board of Directors are available on the following website: [www.atos.net](http://www.atos.net).

More generally, upon suggestion by the Chairman of the Board of Directors, the agenda regularly contains points on the corporate governance of the Company. Thus the Board has consistently expressed its will to take into account, and sometimes anticipate, recommendations from various bodies working on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

Therefore, many systems illustrating this commitment have already been put in place in previous years by the Board of Directors upon the Chairman's request. This includes, among others, the reinforcement of conditions for stock option or performance share plans for which the managers of the company are beneficiaries, the definite removal of golden parachutes or the appointment of a reference director.

#### Reference director

In accordance with the 7 December 2010 AMF recommendation in the "AMF supplemental report on corporate governance, director compensation and internal control", upon proposal of the Remuneration Committee, the Board of Directors appointed Pasquale Pistorio as the new reference director during its meeting of 22 December 2010.

The reference director is in charge, in particular, of the assessment of the Board's work, carried out every year

under his supervision. He is also in charge of arbitrating potential conflicts of interest. He is questioned regularly on the functioning of the Board.

#### Censor

Pursuant to article 26 of the Company's articles of association, the Board of Directors decided to appoint Colette Neuville as censor during its meeting of 13 April 2010. The appointment was later ratified during the General Meeting of shareholders of 27 May 2010. Ms. Neuville's mandate was renewed during the General Meeting of Shareholders of 1<sup>st</sup> June 2011 for a term of one year.

The censor is invited to each meeting of the Board where he/she acts as observer. The Board may give him/her specific assignments. If deemed relevant, he/she can present observations to the General Meetings, based on proposals submitted to him/her.

#### Presence of women's presence in the Board

From 1<sup>st</sup> January 2011 to 1<sup>st</sup> July 2011, the Company's Board of Directors was composed of 25% of women including the censor.

Since 1<sup>st</sup> July 2011, following the appointment of Dr. Roland Busch representing the Siemens shareholder, whose application was submitted pursuant to the agreements governing the acquisition by Atos of Siemens IT Solutions and Services, the Board of Directors is composed of 23% of women, including the censor.

- (1) 18% of women and 25% including the censor.
- (2) 16% of women and 23% including the censor.

#### D.3.1.1 The Board of Directors: composition and functioning

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors decides on the separation of the functions of Chairman of the Board and Chief Executive Officer, appoints managing legal representatives and rules on the independence of directors on a yearly basis, eventually imposes limitations on the powers of the Chief Executive Officer, approves the Chief Executive Officer Report, convenes the General Meetings and decides on the

agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and to the market of high quality information.

On 31 December 2011, the Board of Directors is composed of twelve members: Thierry Breton (Chairman of the Board and Chief Executive Officer), René Abate, Nicolas Bazire, Jean-Paul Béchat, Dr. Roland Busch, Ms. Jean Fleming

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

(director representing employee shareholders, appointed during the Ordinary and Extraordinary General Meeting of Shareholders of 26 May 2009), Bertrand Meunier, Ms. Aminata Niane, Michel Paris, Pasquale Pistorio, Vernon Sankey and Lionel Zinsou-Derlin. Dr. Roland Busch represents the Siemens shareholder. His application was

submitted to the General Meeting of Shareholders pursuant to the agreements governing the acquisition by Atos of Siemens IT Solutions and Services. He joined the Board of Directors on 1<sup>st</sup> July 2011.

Name	Nationality	Age	Date of appointment	Committee member	Term of offices <sup>(3)</sup>	Number of shares held
René Abate	French	63	2009		2011	1,000
Nicolas Bazire <sup>(2)</sup>	French	54	2009	N&R <sup>(3)</sup>	2011	1,000
Jean-Paul Béchat <sup>(4)</sup>	French	69	2009	A <sup>(5)</sup>	2011	1,000
Thierry Breton	French	56	2009		2011	5,000
Dr. Roland Busch <sup>(6)</sup>	German	47	2011	A	2013	1,000
Mme Jean Fleming <sup>(7)</sup>	British	42	2009		2012	640
Bertrand Meunier	French	55	2009	N&R	2011	1,000
Mme Aminata Niane <sup>(8)</sup>	Senegalese	55	2010	A	2012	1,000
Michel Paris	French	54	2009	A	2011	1,000
Pasquale Pistorio <sup>(9)</sup>	Italian	75	2009	N&R	2011	1,000
Vernon Sankey	British	62	2009	A	2011	1,000
Lionel Zinsou-Derlin	French and Beninese	57	2010		2011	1,000

#### Censor

Ms. Colette Neuville	French	74	2011		2011	500
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(1) Following the Annual General Meeting deciding on the accounts of the year.

(2) Chairman of the Nomination and Remuneration Committee.

(3) Nomination and Remuneration Committee.

(4) Chairman of the Audit Committee.

(5) Audit Committee.

(6) Director appointed to the Board of Directors and to the Audit Committee on 1<sup>st</sup> July 2011.

(7) Director representing employee shareholders.

(8) Appointed to the Audit Committee on 22 December 2011.

(9) Dismissed from the Audit Committee and was appointed to the Nomination and Remuneration Committee on 15 February 2011.

Pursuant to the articles of association, each director must own at least 1,000 shares. This rule however does not apply to the director representing employee shareholders or to the censor.

The Internal Rules govern the work of the Board of Directors. They specify the rules on composition, functioning and the role of the Board, remuneration of directors, evaluation of the works of the Board, information of directors, the role and competence of the Committees of the Board - the Audit Committee and the Nomination and

Remuneration Committee, the specific missions which can be granted to a director and the confidentiality obligations imposed on directors.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Board of Directors and the Guide to the Prevention of Insider Dealing are given to the directors who subscribe to these documents. The content of these documents is described more specifically in the "Codes and Charters" section of the Reference Document.

(3) Pursuant to article 16 of the articles of association.

### D.3.1.2 Definition of an “independent member” of the Board of Directors

The Corporate Governance Code of the AFEP-MEDEF defines as independent a director when “he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to color his or her judgment”. The AFEP-MEDEF Code also determines that a certain number of criteria must be reviewed in order to determine the independence of a director:

- “Not to be an employee or executive director of the corporation, or an employee or director of its parent or a company that it consolidates, and not having been in such a position for the previous five years;
- Not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office going back five years) is a director;
- Not to be (or directly or indirectly linked to) a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation,
  - or its group or for a significant part of whose business the corporation or its group accounts;
- Not to be related by close family ties to an executive director;
- Not to have been an auditor of the corporation within the previous five years;
- Not to have been a director of the corporation for more than twelve years.”

As regards directors representing significant shareholders of the corporation or its parent, these may be considered

as being independent, provided that they do not take part in control of the corporation. In excess of a 10% holding of stock or votes, the Board, upon a report from the Nomination and Remuneration Committee, should systematically review the qualification of a director as an independent director, having regard to the make-up of the corporation's capital and the existence of a potential conflict of interest.

The Board of Directors, during its meeting of 22 December 2011, relying on the preliminary work of the Nomination and Remuneration Committee of 22 December 2011, has led a specific review on the independent status of each of its members, relying on the above-mentioned criteria. On this basis, seven out of the twelve members of the Board (i.e. 58%), are considered as independent, in conformity with the AFEP-MEDEF recommendations, which state that half the members of the Board must be independent directors. In particular, the Audit Committee and the Nomination and Remuneration Committee are both chaired by an independent director.

Five out of twelve members of the Board are not considered as independent, namely, in addition to Thierry Breton, Michel Paris, Lionel Zinsou-Derlin and Dr. Roland Busch – considering their relation with a significant shareholder of the Company (21.4% of the Company's stock being held by the Financière Daunou 17 (PAI Partners) and 14.9% by Siemens, as well as Ms. Jean Fleming as representative of employee shareholders and employee of a subsidiary of the Company.

### D.3.1.3 Meetings of the Board of Directors

Pursuant to the articles of association and the Internal Rules, the Board of Directors has met as often as necessary. During the 2011 financial year, the Board of Directors has met 12 times. Attendance of directors at these meetings was an average of 88%.

The Board of Directors met to discuss the following topics:

- Review and approval of the budget;
- Review of quarterly results and forecast;
- Review of financial presentations and press releases;
- Review of and approval of consolidated half year and yearly financial statements;
- Review of strategic trends of the Group, external growth operations and partnerships, including the Siemens IT Solutions and Services acquisition;
- Review of off-balance commitments and risks;
- Review of certain strategic contracts;
- Review of the functioning of the social bodies and corporate governance (composition of the Board and renewal of its members, evaluation of the Board's work, remuneration of the directors, review of the independence of directors, conformity review of the Company's practice with the AFEP-MEDEF recommendations).

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

Certain members of the Board, selected by it, also focused on particular corporate governance issues within two permanent committees:

- The Audit Committee; and
- The Nomination and Remuneration Committee.

The members of these Committees are appointed by the Board of Directors from among its members. The

competences of these Committees are governed by the Internal Rules of the Board of Directors. The Committees are solely advisory in preparing the works of the Board which is the only decisive and liable entity. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

#### D.3.1.4 The Audit Committee

The mission of the Audit Committee is to prepare and facilitate the work of the Board of Directors. It provides assistance to the Board of Directors in its analysis of the exactness and sincerity of the Company's statements and consolidated financial statements. The Audit Committee also looks to the quality of internal controls and the information given to shareholders and to the market. In order to fulfill its mission, the Audit Committee is regularly informed of major risks, including litigation and off-balance sheet commitments of the Company.

During the 2011 financial year, the Audit Committee was composed as follows:

- From 1<sup>st</sup> January to 15 February 2011:

- Jean-Paul Béchat (Chairman)\*
- Michel Paris
- Pasquale Pistorio\*
- Vernon Sankey\*

- From 15 February to 1<sup>st</sup> July 2011:

- Jean-Paul Béchat (Chairman)\*
- Michel Paris
- Vernon Sankey\*

- From 1<sup>st</sup> July to 22 December 2011:

- Jean-Paul Béchat (Chairman)\*
- Dr. Roland Busch
- Michel Paris
- Vernon Sankey\*

- Since 22 December 2011:

- Jean-Paul Béchat (Chairman)\*
- Dr. Roland Busch
- Aminata Niane\*
- Michel Paris
- Vernon Sankey\*

During its meeting of 22 December 2011, the Board of Directors acknowledged that the Audit Committee was composed of  $\frac{3}{4}$  of independent directors until 15 February 2011, of  $\frac{2}{3}$  of independent directors until 1<sup>st</sup> July 2011, in conformity with the AFEP-MEDEF recommendations which state that the Audit Committee must be composed of at least  $\frac{2}{3}$  of independent members.

Following the appointment of Dr. Roland Busch on 1<sup>st</sup> July 2011, resulting from the acquisition of Siemens IT Solutions and Services, the Audit Committee was composed of half of independent members. This situation resulted from the recent modification of the Company's capital, the Board of directors having expressed the wish that the director submitted by Siemens, pursuant to the acquisition agreements, be represented at the Audit Committee. The Board, after acknowledging that the upcoming renewal of several Board members would encourage to review the composition of its Committees, decided to appoint without delay Aminata Niane (independent director) as member of the Audit Committee.

On 31 December 2011, the Audit Committee was composed of  $\frac{3}{5}$  of independent members.

Pursuant to the 8 December 2008 Decree, the Audit Committee has at least one member, including its Chairman, with financial or accounting qualifications, acquired by professional experience.

During the year 2011, the Audit Committee met 7 times. Attendance of members to the meetings was an average of 84%.

The Group Chief Financial Officer, the Head of Internal Audit, the Head of Risk Management, the Group General Counsel as well as the statutory auditors attended meetings of the Audit Committee. All documentation

(4) Independent directors are identified by this symbol:\*

(5) Board meeting of 22 December 2011

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

presented to the Committee was communicated to the Committee by the Group Chief Financial Officer at least three days prior to the meetings.

Other managers of the Company participated in certain meetings of the Committee upon its request, including the Head of Global Systems Integration.

The Audit Committee reviewed the quarterly Group financial reporting package before addressing to the Board. It was regularly informed of the Group's financial strategy and its implementation. It was informed on the terms and conditions of significant contracts (including the risk management aspect of such contracts). It regularly reviewed the status of the major existing contracts (on the basis of approvals delivered under the risk management programs). The Audit Committee regularly examined the accounting and financial documents to be submitted to

the Board. It also received reports from the statutory auditors on the conclusions of their work. The Board also reviewed specific contractual commitments, major contracts, risks and losses declared. The Committee was finally involved in the preparation of the present "Chairman's Report"; as well as in the setup of the renewal procedure of mandates of one of the two auditors of the Company.

The Audit Committee met to review the following matters:

- Quarterly financial information to the Board of Directors;
- Statutory external auditors, reports on audit and internal control plan;
- Group performance analysis;
- Internal control audit plans and recommendations;
- Risk management reports for existing and new contracts;
- Material claims and litigations.

#### D.3.1.5 The Nomination and Remuneration Committee

The mission of the Nomination and Remuneration Committee is to prepare and facilitate the decisions of the Board of Directors in the areas which fall within its scope.

With regard to nominations, the general scope of the Nomination and Remuneration Committee is to assist, review and, where applicable, submit to the Company all applications to the General Meeting of Shareholders for the appointment as member of the Board of Directors or, if called upon for such purpose, to review an application for manager, and to advise or issue recommendations to the Board of Directors on such applications.

The Nomination and Remuneration Committee reviews significant operations which could create a potential conflict of interest between the Company and the members of the Board. The qualification of "independent" director is prepared every year within the Nomination and Remuneration Committee and reviewed and discussed by the Board of Directors prior to the publication of the Reference Document on a yearly basis.

With regard to remuneration, the mission of the Nomination and Remuneration Committee is to make suggestions on the overall, total and fixed remuneration as well as the applicable criteria for variable remuneration of the Chairman of the Board and Chief Executive Officer.

The Nomination and Remuneration Committee also is involved in the analysis of the principles of the Company's and its subsidiaries' profit-sharing plan for employees. Its mission is also to make observations and/or suggestions on decisions to grant stock-subscription option rights or performance shares of the Company for the legal representatives and all or part of the employees of the Company and its subsidiaries.

The rules relating to the compensation of the executive officers are described in the "Executive Compensation and Stock Ownership" section of the Reference Document.

With regard to the members of the Board of Directors, the Committee suggests each year the amount of the envelope for directors fees which will be submitted to the approval of the General Shareholders' Meeting, as well as the conditions of distribution of the fees among directors. The Committee takes into account the attendance of the directors to the various meetings of the Board and the Committees of which they are members but also the level of responsibility endorsed by the directors, as well as the time they dedicate to their function.

The Committee also makes observations and/or recommendations on the pensions, benefits and financial rights of the legal representatives of the Company and its subsidiaries.

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

During the 2011 financial year, the Nomination and Remuneration Committee was composed as follows:

• From 1<sup>st</sup> January to 15 February 2011:

- Nicolas Bazire (Chairman)\*
- Bertrand Meunier\*

• From 15 February to 31<sup>st</sup> December 2011:

- Nicolas Bazire (Chairman)\*
- Bertrand Meunier\*
- Pasquale Pistorio\*

During the year 2011, the Nomination and Remuneration Committee was composed solely of independent members, being in perfect conformity with the recommendations of the AFEP-MEDEF code which state that at least half of the members of the Nomination and Remuneration Committee must be independent.

(6) Independent directors are identified by this symbol:

During the year 2011, the Nomination and Remuneration Committee met 4 times. Attendance of members to the meetings was an average of 90,9%.

The Nomination and Remuneration Committee met to review the following matters:

- Determination of the remuneration of the Chairman of the Board and Chief Executive Officer and the definition of performance objectives
- Review of the performance conditions for the stock option plans;
- Increase in capital reserved for employees;
- Review of the grant of performance shares to employees and legal representatives of the Group;
- The composition of the Board and its Committees;
- Proposal for the appointment of a director and the renewal of the mandates of directors;
- Conditions of distribution of the directors fees;
- Conditions of the follow up of the functioning of the Board of Directors;
- Determination of independent members of the Board.

#### D.3.1.6 Assessment of the work of the Board of Directors

The Board of Directors must regularly assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and functioning, as well as the composition, organization and functioning of its Committees. In particular, it analyses the methods by which the Board of Directors and its Committees function, in order to ensure that the important questions have been suitably prepared and discussed and measure the actual contribution of each director to the work of the Board of Directors and its committees, according to his or her skills and involvement in the discussions.

For this purpose, the Internal Rules of the Board of Directors provide that, once a year, the Board of Directors must dedicate one item on its agenda to the discussion of its functioning and inform the shareholders each year, in the Reference Document, of the conducting of these assessments and the subsequent follow-up.

In these conditions, and in order to ensure both the compliance of its governance practices with the recommendations of the AFEP-MEDEF Code, the Board, in 2009, had already decided to supplement the yearly

assessment of the Company's governance practices by a formalized assessment, under the supervision of its reference director. For the year 2011, the Board, during its meeting of 22 December, decided to renew this exercise in the same conditions.

The formalized assessment lead on the work of the Board and its Committees on fiscal year 2011 aimed at evaluating the stakes and actual means of functioning of the Board and its Committees by integrating the points of view of various governance stakeholders (procedures of the Board, work of the Board, relations with management/ Executive Committee).

The review was carried out on the basis of the following three points:

- statistical analysis of the participation of the directors to the work of the Board and its two Committees;
- a questionnaire circulated to the directors on issues relating to the functioning of the Board as well as on its focus on corporate governance issues;
- Individual interviews, as the case may be, between the reference director and the directors.

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

The following points emerged from the interviews by the reference director of all the directors:

- On the governance, the directors deemed both the conformity of the Company's practice to the recommendations of the AFEP-MEDEF Code and the time spent by the Board to the review of governance practices, to be excellent. They notably highlighted the members' commitment in the work of the Board and its Committees - this functioning being supported by the Company's management which strongly focuses on governance issues.
- On the operational functioning - with regard to strategy: the directors noticed the strong information and implication of the Board in the external growth operation projects. The frequency and duration of the Board's meetings, the time and quality of the information and the debates on the financial results, on the acquisition projects (including within the acquisition of Siemens IT Solutions and Services), on the major strategies of the Group's organization, the relationship between the Board

and its Committees, the minutes of the meetings have all been assessed as being very satisfactory.

Finally, several ideas and areas of improvement have been raised which would allow to better strengthen the excellent perception of the current organization and functioning of the Board of Directors and of its Committees, such as the improvement of information of the Board on competitors' situation, including on financial performance, or the dedication of one meeting a year to the various activities of the company in the presence of each manager.

In the end, this exercise confirmed:

- the dynamic of the functioning of the Board allows it to fully undertake its role which has been set by applicable legislation;
- the Company and the Board attach a significant interest on issues pertaining to corporate governance.

## D.3.2

### Internal control

The internal control system whose definition is stated in section D.3.2.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the

components of the internal control system of Atos – section D.3.2.2. Specific attention has been given to the internal control system relating to accounting and financial information – section D.3.2.3, in compliance with the application guide of the AMF.

Internal control players are described in section D.3.2.4.

#### D.3.2.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by General Management;
- correct functioning of company's internal processes particularly those implicating the safeguarding 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 not an absolute guarantee against these risks.



### D.3.2.2 Components of the internal control system

The internal control system within Atos is a combination of closely related components that are detailed hereafter.

#### A - Organization / control environment

The organization, competencies, systems and policies (methods, procedures and practices) represent the ground layer of the internal control system and the fundamentals of the Group in the matter. The main components are presented in this section.

**Matrix organization:** The Company runs a matrix organization structure that combines Operational Management (Global / Specialized Business Units / Service Lines) and Functional Management (Sales and Markets and Support Functions). This constitutes a source of control with a dual view on all operations.

Roles and responsibilities have been updated in 2011 following the Siemens IT Services (Siemens IT Solutions and Services) acquisition, and organizations for the main Functions communicated to all employees.

**Responsibilities and powers:** Specific attention has been paid to ensure that the right people are granted the appropriate responsibilities, especially through the following initiatives:

- **Delegation of Authority:** A formal policy sets out the authorization 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 General Management level. The delegation of authority policy has been updated in July 2011, approved by the Board of Directors and rolled-out under the supervision of the Group Legal department
- **Segregation of Duties:** Updated rules for segregation of duties have been implemented in the organization. They are followed-up through functional review of segregation of duties and procedures for profiles attribution. Tooling has been used to perform automatic assessments of those rules in the systems.

**Policies and procedures:** The Group has designed and implemented over the last years several policies and procedures in order to establish common practices and standardized methods. Most of them have been renewed or reviewed in the Siemens It Solutions and Services acquisition's context to ensure they were still in line with organization's objectives.

Some of these key policies and procedures included:

- **The Code of Ethics:** This code sets the "tone at the top" in line with Atos commitment to corporate social responsibility, and especially its adhesion in 2010 to the United Nations' Global Compact. The Code of Ethics has been updated and adopted by the Board of Directors on the 12<sup>th</sup> of October 2010. It has been communicated throughout the Group with trainings to remind the importance of respecting the code for
  - complying with all laws, regulations and internal standards,
  - acting honestly and fairly with clients, shareholders and partners,
  - playing by the rules of fair competition,
  - never using bribery or corruption in any form,
  - being loyal to the company and in particular, avoiding any conflicts of interest,
  - protecting the Group's assets and preventing and combating against fraud
  - protecting confidentiality and insider information.Training sessions with management teams have been initiated to increase the awareness of the Code of Ethics throughout the group, performed by Group lawyers.
- **Atos Rainbow™:** Rainbow is a set of procedures and tools that 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 means by which Atos' 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. Since 2010, Rainbow has been progressively deployed to also monitor delivery phases of projects.



## D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

• **Operational policies and procedures** have also been implemented in all departments. The main impacting policies and procedures in terms of internal control (regarding authorizations and ethics) include "Payment & Treasury Security Rules", "Purchasing Code of Conduct", "Pension Governance", "Investment Committee", "Legal Handbook" and "Credit Risk Policy". They are gathered in the Book of Internal Policies.

**Process management:** Along with the centralization of the Group Policies, Atos has created in 2011 a "Business Process and Organization Management" (BPOM) department focused on creating an Atos Business Process Center of Excellence (BPCOE) in coordination with business process owners and the functions related to Internal Control, Quality, security etc. The BPCOE community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

**Human Resource Management:** The Group Human Resource management policy relies on the Global Capability Model (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting additional incentives.

**Information Systems:** Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

#### **B - Communication of relevant and reliable information**

Several processes are in place to ensure that relevant and reliable information is communicated within Atos.

The systematic holding of monthly reviews of operational performance by Service Line and Operational Entity organized under the responsibility of the Group Chief Financial Officer and in the presence of at least one of two Executive Vice Presidents. These sessions aim to review the results and operational forecasts, as well as the implementation and monitoring of action plans.

**A shared ERP system** is deployed and used in the main countries of the Group, enabling easier exchange of operational information.

It allows producing cross border reporting and analysis (cross border project analysis, customer profitability...) as well as business reports through different analytical axis (service line, geographical and market axis).

A deployment program has been initiated in 2011 to ensure timely migration of newly acquired entities to the Atos' ERP.

**Formal information reporting lines** have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns both financial and non financial information. Communication of relevant information is also organized in the Group through several specialized escalation processes that define criteria to raise issues to the appropriate level of management, up to General Management. This covers a wide range of topics like operational risks (through Risk Management Committees), treasury (with Payment and Treasury Security Committee), or financial restructuring (Equity Committee). This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

**Specialized committees** have been initiated to exchange information and to follow-up initiatives on specific topics. Among others Quality, Security and Compliance committees have been regularly held with General Management and representatives of respective functions and their stakeholders.

**A dedicated intranet portal** is accessible to all Atos employees which facilitates the sharing of knowledge and issues raised by the Atos internal communities. This global knowledge management system promotes collaboration and allows efficient and effective information transfer.

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

#### C - System for risk management

Risk management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives have been led concerning risk management:

**The risk mapping** has been reviewed in 2011 (four months after the acquisition of Siemens It Solutions and Services), in order to identify and assess risks that may impact the objectives of the Group. The selected methodology involved the managers of the Group TOP 200 through workshops and questionnaires, to collect their perception of the main risks that may impact Atos' objectives, their relative importance and mitigation effectiveness.

This assessment has covered potential risks related to our environment (stakeholders, natural disasters), the transformation & business development (evolution, culture, market positioning), our operations (clients, people, IT, processes) and the information used for decision making (financial and operational). Results have been shared with General Management, to ensure that appropriate measures are deployed to manage the main risks, and presented to the Audit Committee.

**The Risk Analysis** (as detailed in the "Risks" section of the 2011 Annual Report) presents the Group's vision of the main business risks, as well as the way those risks are managed. This includes the contracting of several insurance policies to cover primary insurable risks including the protection of Group assets (production sites and datacenters) and people. Operational risks on projects have been managed by the Risk Management function (including a Group Risk Management Committee who met monthly to review the most significant and challenging contracts. Risks related to logical or physical security are managed through a Security Organization coordinated at Group level. Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

#### D - Control activities

Atos key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the General Management, complements the different procedures by addressing the key control objectives of each process to achieve a convenient level of internal control.

For each control objective, one or more control activities (including control activities' description, evidences, owners and periodicity) have been identified in order to formalize Group's expectations in terms of control.

The Book of Internal Control covers not only the financial processes, but also delivery processes (like contract management), support processes (including legal, purchasing, HR or IT) and some management processes (Mergers and Acquisitions):

An updated version of the Book of Internal Control has been released and communicated throughout the Group in January 2012, following Siemens It Solutions and Services acquisition, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to evolving maturity of processes and emerging risks.

A specific action has also been led with regards to **"ISAE3402"** reports<sup>(1)</sup>.

A control framework has been defined, detailing control activities related to client service. This framework has been built on the basis of the ITGI model (IT Governance Institute's publication titled IT Control Objectives for Sarbanes-Oxley, 2<sup>nd</sup> Edition).

(1) ISAE3402 (International Standards for Assurance Engagements (ISAE) No. 3402). A global assurance standard for reporting on controls at a service organization used for auditor's report on internal control of a service to a third party. Activities of Atos typically have an impact on the control environment of its clients (through information systems), which may require the issuance of "ISAE3402 reports" for the controls ensured by Atos Origin.

**D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control**

**E - 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, and is also supported by Internal Audit missions.

Internal Audit is responsible for assessing the functioning of the Internal Control system.

It has carried out reviews to ensure that the internal control procedures are properly applied and supported the development of internal control procedures. Internal Audit also defined, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2011, Internal Audit carried out a total of 69 audit assignments assessing the functioning of internal control system: 43 in the domain of support functions (Finance, Human Resources, Purchasing) and 26 related to Operations/core business (mainly focus on Worldline activities). All assignments have been finalized 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 2011:

- A compliance audit on Rainbow bidding process to ensure that risks inherent to this process are properly monitored
  - An audit on timesheet management process performed to secure performance monitoring and optimize management of resources
  - 4 ex-Siemens IT Solutions and Services countries have been reviewed regarding the effectiveness of Finance control environment and reliability of financial statements in the context of Siemens IT Solutions and Services acquisition and related opening balance sheet reviews. These financial audit reviews in ex-Siemens IT Solutions and Services countries will continue in 2012.
  - Audits on incident & problem management process and also pertaining to the overall governance of the process.
  - Audits on Identity & Access management including the evaluation of the overall architecture, policies, processes and governance in place.
  - Advisory assignments and support to the business (for example: governance structure for a joint venture, compliance management...)
  - 9 particular investigation audits and 2 specific performance reviews performed in India
  - An exhaustive follow-up of all open - high and medium risk - recommendations has been carried out, to ensure action plans were correctly implemented
- Internal audit has also actively contributed to help the business meeting the compliance requirements to maintain the "payment institution" status for Worldline Belgium. An annual assessment has therefore been included in the audit plan.

**D.3.2.3 Systems related to accounting and financial information**

The financial governance of the Group relies on a set of global financial processes, that are part of the Internal Control system of the Group and for which a specific attention is paid due to their sensitivity:

- Finance processes: budget and forecast, consolidation and reporting, treasury, credit risk management...
- "Expert" functions processes: taxes, insurance, pensions, real estate transactions
- Operational processes: bidding, contract execution, financial business model.

**Local and Group financial organization**

The management of the Finance function is performed through two main committees that meet on a weekly basis and are chaired by the Group CFO:

- **The Group Finance Committee** (GFC) physically gathers the directors of the main functions within Finance organization and Finance Directors of Service Lines and of Markets. This committee deals with transversal topics critical for the Group.
- **The Operational Finance Committee** (OFC) gathers CFOs from GBUs, Treasury and Controlling directors (and

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

other directors according to the agenda). It deals with operational topics and GBU specific issues.

Those committees allow the relay of General Management's decisions to operations and communication in return. The final aim is to ensure timely transmission and execution of General Management's decisions and to adapt continuously the Group to the market in which it operates.

This organization is cascaded at country level.

Direct reporting to Group Function, as for the other support functions, reinforces the integration of the financial function and contributes to the full alignment of key processes and provides an appropriate support to operational entities of the Group.

Group Finance Department is in charge of piloting the financial processes, especially through the financial consolidation, the monitoring of compliance matters, the supply of expertise and the control of the reported financial information. It has reviewed significant accounting options, as well as potential Internal Control weaknesses and has initiated required corrective actions.

In each GBU a Finance Risk and Internal Control Coordinator position has been created in 2011, in order to reinforce the attention given to Internal Control topics and facilitate deployment and monitoring of Internal Control.

#### 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 were discussed with the statutory auditors before issuance and included the following main elements:

**Financial accounting policies** include a Group reporting and accounting principles handbook applicable to the preparation of financial information, including off-balance sheet items. 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 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.

An expertise center managed by the expert function at Group level is in charge of proper implementation of Group accounting principles (and their compliance with international standards), of the implementation of financial Internal Control, process standardization and of the knowledge transfer to the shared service center in charge of transactional processing for the entities in the main European countries.

Training and information sessions are organized 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 financial community.

**Instructions and timetable:** Financial reporting including budget, forecast and financial information by subsidiary is carried out in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaised with statutory auditors to coordinate the annual and half-year closing process.

#### Information systems

Information systems have played a key role in the control system related to the accounting and financial information, as they have both strongly structured the processes and provided automated preventive controls, but have also provided monitoring and analysis capabilities.

**An integrated ERP system** has supported the production of accounting and financial information in the main countries.

**A unified reporting and consolidation tool** is used for financial information (operational reporting and statutory figures). Each subsidiary reported its financial statements on a standalone basis in order to be consolidated at Group level. There was no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of Group Finance. Off balance sheet commitments were reported as part of the

## D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

mainstream financial information and are examined by Group Finance.

### Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with rules and instructions.

**The Closing File** (included in the Book of Internal Control) has been updated in 2011 and is deployed at local level. It was required for each subsidiary to elaborate on a quarterly basis, a standard closing file formalizing key internal controls performed over financial cycles and supporting closing positions. Templates created by Group Finance illustrate the expected level of control for the main items. The Closing File is applied in each subsidiaries of the former Atos Origin perimeter and us being rolled out in subsidiaries from the Siemens IT Solutions and Services acquisition.

**Functional reviews** are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecast.

**Operational and financial reviews:** Group controlling is supporting Operations and General Management in the

decision making process through monthly reviews and 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;

**Representation letters:** During the annual and half-year accounts preparation, the management and financial head of each subsidiary was required to certify in writing:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from the assumptions made by management enable the Company to execute the corresponding actions and
- that, to the best of their knowledge, there was, no major deficiency in the control systems in place within their respective subsidiary.

**Internal Audit Department:** The review of the internal control procedures linked to the processing of financial information was a component of the reviews conducted by the Internal Audit Department. The Internal Audit Department worked together with Group Finance to identify the main risks and to focus its audit plan consequently as effectively as possible.

### D.3.2.4 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

#### Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its committees. Those committees enlighten the Board as to the quality of the internal control system. 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 and stays informed about the proper implementation of the Internal Control System.

#### General management and Executive Committee

General Management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, General Management defines the framework of the internal control system.

The Executive Committee leads the operational performance of the Group. Its main tasks are to define and review business priorities, review Atos operational performance 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.

## D. Risks, governance and common stock

### D.3. Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control

#### Risk Management Committee

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 & ERM

Internal control & ERM function is to ensure the coordination of the internal control system, like 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 and runs the Enterprise Risk assessment. Internal control relays in each Global Function / Service Line / GBU assist in the deployment of the various initiatives.

#### Internal Audit

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which was validated by General Management. The Audit Committee also received regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The internal audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external control.

#### D.3.2.5 Outlook and related new procedures to be implemented

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In 2012, financial, commercial and social development programs will pursue their effects to improve and streamline processes, with benefits for the Internal Control System.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit Department will pursue the internal review program initiated in 2011 and the follow-up of its recommendations. 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, especially in newly acquired locations, and on controls over operations.

#### Conclusion

Based on the above, we have no other observation with regard to internal control and procedures implemented by the Group.

The above elements participate to guarantee the appropriate level of internal control even if they 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.

#### Thierry Breton

CEO and Chairman, Atos

### D.3.3 Statutory Auditors' report prepared in accordance with article L.225-235 of the French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos

#### To the Shareholders,

In our capacity as Statutory Auditors of Atos S.A. and in accordance with Article L.225-235 of French Commercial Code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of French Commercial Code (Code de Commerce) for the year ended 31 December 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of French Commercial Code (Code de Commerce), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of French Commercial Code (Code de commerce), being specified that we are not responsible for verifying the fairness of these disclosures. We conducted our work in accordance with professional standards applicable in France.

#### **Information on the internal control procedures and risk management procedures relating to the preparation and processing of accounting and financial information**

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in

respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing 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 nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of French Commercial Code (Code de Commerce).

#### **Other disclosures**

We attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French Commercial Code (Code de commerce).

**Neuilly-sur-Seine and Paris, 4 April 2012**

#### **The Statutory Auditors**

Deloitte & Associés

Christophe Patrier

Grant Thornton  
*French member of Grant Thornton International*

Vincent Frambourt

## D.4 Executive compensation and stock ownership

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### D.4.1 Directors' fees

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In accordance with a resolution adopted at the General Meeting shareholders of 1<sup>st</sup> June 2011, the 2011 annual envelope for director fees was set at EUR 500,000 for members of the Board of Directors.

The rules of payment of director fees are set by the Board of Directors, on proposal of its Nominations and Remunerations Committee. For 2011, the fees were payable on the basis of the following principles:

- For the Board of Directors: a fixed remuneration of EUR 25,000 per director plus a variable fee of EUR 1,000 per meeting (remuneration is based on attendance to the meetings of the Board of Directors);
- For the Committees: remuneration is based on the attendance to the meetings: EUR 1,500 per meeting for the Chairman of the said Committee and EUR 750 per meeting for each member of the Committee.

- The reference director receives an additional remuneration of EUR 1,000 for each meeting attended.
- The Censor benefits from the same conditions and is subject to the same rules as the directors, except the reference director.

Mr Thierry Breton has declined to accept his director fees.

(1) Decision of the Board of Directors of 22 December 2011 with retroactive effect to 1<sup>st</sup> January 2011



**Director's fees paid and due to the members of the Board of Directors according to their attendance at the Board and Committees meetings**

In EUR	2011		2010	
	Paid <sup>(c)</sup>	Due <sup>(d)</sup>	Paid <sup>(a)</sup>	Due <sup>(b)</sup>
René Abate	37,000	35,000	38,000	37,000
Nicolas Bazire	39,000	42,000	41,750	39,000
Jean-Paul Béchat	47,500	47,500	50,500	47,500
Thierry Breton	-	-	-	-
Roland Busch	-	16,250 <sup>(6)*</sup>	-	-
Jean Fleming	34,000*	36,000*	24,500*	34,000*
Bertrand Meunier	40,750	39,000	41,000	40,750
Aminata Niane	19,583 <sup>(1)*</sup>	37,000*	-	19,583 <sup>(1)*</sup>
Michel Paris	40,500	38,750	43,250	40,500
Pasquale Pistorio	39,500*	45,250*	39,000*	39,500*
Vernon Sankey	40,500*	40,250*	43,750*	40,500*
Lionel Zinsou-Derlin	31,917	34,000	-	31,917
Dominique Mégret	-	-	38,000 <sup>(3)</sup>	-
Jean-Philippe Thierry	27,750 <sup>(4)</sup>	-	40,000 <sup>(2)</sup>	27,750 <sup>(4)</sup>
<b>Censor</b>				
Colette Neuville	20,583 <sup>(5)</sup>	35,000	-	20,583 <sup>(5)</sup>

\* These fees granted to foreign directors correspond to the amounts before taxes paid or due by Atos.

(a) Director fees paid in 2010, for the year 2009.

(b) Director fees due for the year 2010.

(c) Director fees paid in 2011 for the year 2010.

(d) Director fees due for the year 2011.

(1) Ms Aminata Niane was appointed member of the Board of Directors on 27 May 2010. Director fees are calculated as from this date on a pro rate basis.

(2) Director fees paid to Mr Jean-Philippe Thierry for his mandate as a member of the Board of Directors from 10 February to 31 December 2009.

(3) Mr Dominique Mégret resigned from his mandate as a member of the Board of Directors as from 17 December 2009. The director fees were paid until this date.

(4) Mr Jean-Philippe Thierry resigned from his mandate as a member of the Board of Directors as from 30 September 2010. The director fees were paid until this date.

(5) Ms Colette Neuville was appointed Censor 13 April 2010. Fees are calculated as from this date on a pro rate basis.

(6) Dr Roland Busch was appointed member of the Board of Directors on 1 July 2011. Fees are calculated as from this date on a pro rate basis.

## D.4.2 Executive compensation

Thierry Breton was appointed Chairman of the Management Board, on 16 November 2008 and is Chairman of the Board and Chief Executive Officer since 10 February 2009.

### Mr Thierry Breton - Chairman and CEO

Since 2009, the maximum gross total annual compensation of the Chairman and CEO is EUR 24 million. This compensation is broken down as follows:

**D. Risks, governance and common stock**  
**D.4. Executive compensation and stock ownership**

EUR 12 million in fixed compensation and EUR 12 million in variable compensation depending on the achievement of objectives set by the Board of Directors, it being specified that the maximum variable compensation was set at 100% of fixed remuneration as part of the three-year recovery plan of the Company (18 November 2008 to 31 December 2011). As done annually, during its last meeting of the year, on 22 December 2011, the Board of Directors, upon recommendation of the Nominations and Remunerations Committee, reviewed the issue of the compensation of the Chairman and CEO, taking into consideration AFEP-MEDEF recommendations and also the new competitive situation of Atos, compared to French and international competitors of similar size. The Board of Directors wanted

to assess the performance of the Chairman and CEO on the three-year commitment plan which ended on 31<sup>st</sup> December 2011, and also to perform a precise analysis of the new context following the 70% company size increase (from 5 to EUR 8,5 billion in revenues) and to the 55% headcount increase (from 48,000 to 74,000 employees) after the creation of the new Atos following the Siemens IT Solutions and Services acquisition completed on 1<sup>st</sup> July 2011.

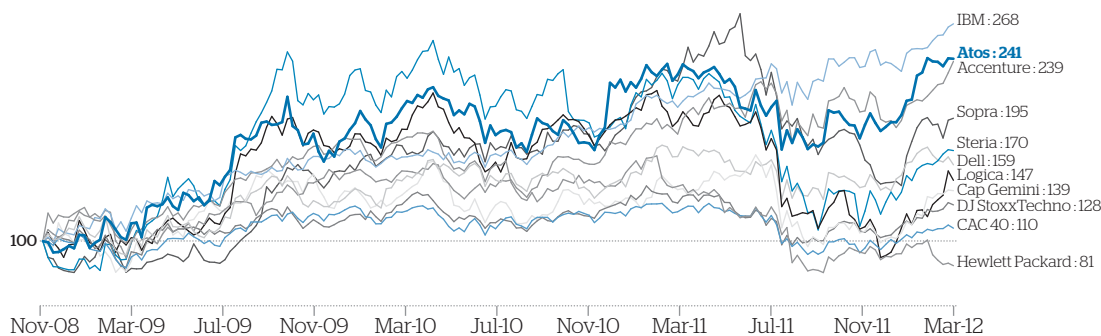
Following this analysis, the Board unanimously expressed its satisfaction regarding the three-year recovery plan lead by the Chairman and CEO and regarding the achievement of all the objectives set, as summarised in the below table:

	16-Nov-08	31-Dec-11	% change
Headcount	51,000 <sup>(1)</sup>	74,000 <sup>(2)</sup>	45%
Revenue (in EUR billion)	5.5 <sup>(3)</sup>	8.5 <sup>(3)</sup>	55%
Operating Margin (%)	4.8% <sup>(1)</sup>	6.2% <sup>(4)</sup>	+140 bp
Operating Margin (in EUR million)	261 <sup>(1)</sup>	410	58%
Net Result (in EUR million)	22.6	181.6	+700%
Net Debt (in EUR million)	304 <sup>(1)</sup>	142 <sup>(5)</sup>	(53%)

(1) 31 December 2008.  
 (2) Social Responsibility: GRI A+, Best Workplace 2012 (Atos Poland).  
 (3) Pro forma.  
 (4) 7.5% on ex Atos Origin scope, i.e. +270 bp.  
 (5) Zero debt plan at end of March 2012.

The Board was particularly satisfied with the stock performance since the Chairman and CEO joined the group. During this period the share price increased by +240% (from 16 November 2008 to 26 March 2011) and achieved one of the two best world performances in the

industry, despite a deeply affected European market context since summer 2011 (compared to Asiatic and American markets), by sovereign debts crisis in the Euro zone, as illustrated in the below graph:



To take into consideration the change of scope of the new Atos company, the Board decided with effect from 1<sup>st</sup> January 2012, to bring the fixed remuneration of the Chairman and CEO to EUR 1.35 million. The variable on-target is set at 100% of fixed remuneration, subject to performance conditions based on operational criteria: operating margin, revenue and treasury cash flow, in accordance with the applicable rules to the executives directors of Atos. The fringe benefits granted to the Chairman and CEO since his appointment remain unchanged.

or information purposes, it is reminded that the setting of performance objectives for the Chairman and CEO, and the resulting appraisal is biannual. Therefore, variable

remuneration is paid on a semester basis (usually in February or March for payment relating to the second semester of the previous year and in August for the payment of the first semester of the relevant year):

- Due remuneration reflects due amounts for the first and second semester of the relevant year
- Remuneration paid reflects paid amounts for the second semester of the previous year and the following first semester.

It should be specified that Mr. Thierry Breton's variable compensation is a conditional payment, based exclusively on quantitative and financial objectives. It is fully paid only if the financial targets set by the Board are achieved.

(in Euros)	2011		2010	
	Due	Paid	Due	Paid
Fixed remuneration	1,200,000	1,200,000	1,200,000	1,200,000
Variable remuneration (*)	1,200,000	1,200,000	1,200,000	1,048,600
Exceptional remuneration				
Atos SA director fees				
Fringe benefits	5,924	5,924	7,284	7,284
<b>TOTAL</b>	<b>2,405,924</b>	<b>2,405,924</b>	<b>2,407,284</b>	<b>2,255,884</b>

(\*) In 2010, the financial objectives were over achieved for both the first semester (achieving 120.8%) and the second semester (102.2%). However, given the capping mechanism of his variable compensation at 100% of his fixed compensation, the variable compensation received by Mr. Thierry Breton under the first and second semester of 2010 corresponds to this maximum amount of 100%. In 2011, the financial objectives were over achieved for both the first semester (achieving 110.7%) and the second semester (106.38%); the variable compensation obtained by Mr. Thierry Breton under the first and second semester of 2011 corresponds to this maximum amount of 100%.

### D.4.3

#### Option plans for stock subscription and free shares plans

As the three-year 2008-2011 stock options plan reached its term, upon proposal of its Nominations and Remunerations Committee, the Board of Directors of 22 December 2011 decided to set up a new free performance shares plan post-integration of Siemens IT Solutions and Services, to associate the first managerial lines of the new Atos to the group's success in the years 2012-2013.

Within this framework, Mr. Thierry Breton received, like the top 740 managers of the Group, a grant of free performance shares. During the 2011 financial year, he did not benefit from the granting of stock options or share purchase of the Company.

## D. Risks, governance and common stock

### D.4. Executive compensation and stock ownership

#### D.4.3.1 Terms and conditions for the performance free share plan decided on 22 December 2011 for the year 2012 of which the Chairman and CEO is one of the beneficiaries.

Under the authorisation granted by the Atos Mixed General Meeting of shareholders which was held on 1<sup>st</sup> July 2011 (fourth resolution), the Board of Directors, during its meeting of 22 December 2011, granted performance shares to the top 740 first managers of the group. This grant was based on specific and quantifiable operational criteria to reflect the priority given to operational performance related to the successful integration of Siemens IT Solutions and Services.

Achieving these performance shares is thus subject to the following conditions, which reproduce and strengthen the criteria used in the previous three-year plan for stock options :

- **Employment condition** subject to exceptions provided in the performance shares plan, the grant of performance shares is conditional on the employment of the beneficiary employee or legal representative or director status within Atos Group during the vesting period described below in item "Vesting and conservation period";

- **Performance conditions:** The grant of performance shares is also subject to the achievement of the following two cumulative internal performance conditions calculated respectively for the years 2012 and 2013:

- **the Group Free Cash-Flow** before dividend and acquisition/sales results for the relevant year is at least equal to one of the two following amounts:

- **85%** of the amount from the Group Free Cash-Flow before dividend and acquisition/sales results, as provided in the Company's budget for the relevant year, or

- >the amount of the Group Free Cash-Flow before dividend and acquisition/sales results for the previous year with a **10% increase;**

#### **AND**

- the Group's Operating Margin for the relevant year is at least equal to one of the two following amounts:

- >**85%** of the amount of the Group Operating Margin as provided in the Company's budget for the relevant year, or

- >the amount of the Group's Operating Margin from the previous year with a **10% increase;**

- Subject to the aforementioned employment condition:

- >achieving both performance conditions for the year 2012 will lead to the beneficiaries acquiring 50% of the performance shares which they were granted; and

- >achieving both performance conditions for the year 2013 will lead to the beneficiaries acquiring 50% of the remaining performance shares which they were granted.

- **Vesting and conservation periods:** The free grant of performance shares proposed by the Atos Board of Directors on 22 December 2011, in accordance with the authorisation given by the fourth resolution adopted at the General Meeting of the shareholders on 1<sup>st</sup> July 2011, involves two plans (France and International). The two plans differ depending on whether the employee or director is linked to a company of the group based in France or overseas. The Executive Director is subject to the French performance share plan which is governed by the applicable French legislation.

The shares subject to performance conditions for the year 2012 will be vested on 22 December 2013, it being specified that they are also subject to the aforementioned employment condition; the beneficiaries are also required to remain owner their acquired shares for a period of two years, until 22 December 2015.

The shares subject to performance conditions for the year 2013 will be vested on 17 March 2014, it being specified that they are also subject to the aforementioned employment condition; the beneficiaries are also required to remain owner their acquired shares for a period of two years, until 17 March 2016.

(2) Such as: death or disability

#### D.4.3.2 Free grant of performance shares on 22 December 2011 to the Chairman and CEO

Chairman and Chief Executive Officer	Plan date	Nature of the shares	Number of shares	Acquisition period	Share valuation method in the fair value determined according to IFRS 2 method recognized by the consolidated accounts (in euros)				
					2011	2012	2013	2014	Total
Thierry Breton	22 December 2011	Insurance	32,500	22/12/2011-22/12/2013	11,420	463,479	452,058	-	926,957
Thierry Breton	22 December 2011	Insurance	32,500	22/12/2011-17/03/2014	10,077	408,973	408,973	85,657	913,680
<b>Total</b>			<b>65,000</b>		<b>21,498</b>	<b>872,451</b>	<b>861,031</b>	<b>85,657</b>	<b>1,840,637</b>

#### D.4.3.3 Reminder of stock option plans dated 23 December 2008

##### Three-year Stock option plan issued in 2008 to the Chairman and CEO

Chairman and Chief Executive Officer	Plan date	Nature of options	Option pricing models according to the IFRS 2 method recognized by the consolidated accounts (in euros)	Number of options	Exercise price by % above the grant price (*)	Period of exercise
Thierry Breton	23 December 2008 - first tranche	Subscription	1,054,670	233,334	5%	01/08/2010-31/03/2018
Thierry Breton	23 December 2008 - second tranche	Subscription	809,666	233,333	25%	01/04/2011-31/03/2018
Thierry Breton	23 December 2008 - third tranche	Subscription	590,332	233,333	50%	01/04/2012-31/03/2018

(\*) Reference price at EUR 176.

The triennial value of stock options was calculated according to a binomial model used in the Group's consolidated financial accounts. This value assumes the achievement of differentiated performance conditions for the three different quota lots (first, second and third tranches).

##### Reminder on performance conditions

**For the 1<sup>st</sup> tranche** (with initial exercise period beginning on 1<sup>st</sup> April 2010 and which has been extended to 1<sup>st</sup> August 2010 for members of the top management team):

The options acquisition price was set at an amount greater than the share price at date of grant, representing a 5% increase compared to the reference price (noting that reversing the downward trend and recovering stock prices were the top priorities when the new management team took office).

For the only options granted to the top management team (Mr Thierry Breton - executive director - and the two Deputies of the Chairman Executive Officer), the beginning of the exercise period was extended to 1<sup>st</sup> August 2010 - they are subject to the following additional performance

## D. Risks, governance and common stock

### D.4. Executive compensation and stock ownership

conditions that must be achieved for at least three out of the four consecutive semesters (the reference period is one semester) due on 31<sup>st</sup> December 2008, 30 June 2009, 31<sup>st</sup> December 2009 and 30 June 2010:

- Free cash flow before dividends and excluding acquisitions and transfers at least equal to: 85% of the relevant semesters budget, or to 10% more than the semester result of the corresponding semester of the previous year (N-1); and
- Operational margin at least equal to: 85% of the relevant semesters budget or to 10% more than the semester result of the corresponding period of the previous year (N-1).

**For the 2<sup>nd</sup> tranche** (with the initial exercise period beginning on 1<sup>st</sup> April 2011):

The exercise price for options was set at an amount greater than the share price on the date of grant, representing an increase in 25% compared to the reference price.

The following performance criteria must be achieved for two consecutive years (the reference period is one year) before the start of the acquisition period:

- Free cash flow before dividends and excluding acquisitions and transfers at least equal to 80% of the

year's budget, or 10% more than the result of the previous year; and

- Operating margin at least equal to 80% of the year's budget, or 10% more than the result of the previous year.

**For the 3<sup>rd</sup> tranche** (with the initial acquisition period beginning on 1<sup>st</sup> April 2012):

The exercise price for options was set at an amount greater than the share price on the date of grant, representing an increase in 50% compared to the reference price.

The following performance criteria must be achieved for two consecutive years (the reference period is one year) before the start of the acquisition period:

- Free cash flow before dividends and excluding acquisitions and transfers at least equal to 80% of the year's budget, or 10% more than the result of the previous year; and
- Operational margin at least equal to 80% of the year's budget, or 10% more than the result of the previous year.

#### Achievement of the stock option's performance conditions for Atos executives

##### A - Relating to the 1<sup>st</sup> tranche (exercise conditions at 85% of budget):

Performance conditions were verified for three out four semesters.

Operating Margin <sup>(1)</sup> (In EUR million)	Second semester 2008	First semester 2009	Second semester 2009	First semester 2010
<b>Budget Achievement (%)</b>	<b>74%</b>	<b>100%</b>	<b>94.5%</b>	<b>114.6%</b>
85% semester Budget or +10% vs corresponding semester of previous year	no	yes	yes	yes
Free Cash Flow (in EUR million)	Second semester 2008	First semester 2009	Second semester 2009	First semester 2010
<b>Budget Achievement (%)</b>	<b>71%</b>	<b>312%</b>	<b>124%</b>	<b>368.2%</b>
85% semester Budget or +10% vs corresponding semester of previous year	no	yes	Yes	yes
<b>Conditions met</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

(1) The operating margin for the second half of 2007 was EUR 154 million.

**B - Relating to the 2<sup>nd</sup> tranche (exercise conditions at 80% of budget):**

The achievements for 2009 and 2010 are the following:

<b>Operating Margin</b> (in EUR million)	2009	2010
<b>Budget Achievement (%)</b>	<b>96.7%</b>	<b>101.4%</b>
85% year Budget or +10 % vs previous year	yes	yes
<b>Free Cash Flow</b> (In EUR million)	2009	2010
<b>Budget Achievement (%)</b>	<b>278.6%</b>	<b>113.3%</b>
85% year Budget or +10 % vs previous year	yes	yes
<b>Conditions met</b>	<b>YES</b>	<b>YES</b>

As a result, Mr. Thierry Breton acquired the Tranche 2 Options on 1<sup>st</sup> April 2011.

**C - Relating to the 3<sup>rd</sup> tranche (exercise conditions at 80% of budget):**

It was decided for all beneficiaries (excluding the Chairman and CEO and Executive Committee members) to limit the objectives involved in only the first semester of 2011 to validate the performance of the 3<sup>rd</sup> tranche, provided the TOP plan for three years had achieved its objectives by the end of this semester and the 1<sup>st</sup> year of tranche 3 options - 2010 - had already been validated.

Regarding the Chairman and CEO and the Executive Committee members, it was decided to adopt as objectives for all plans, two cumulative semesters on the basis of a corrected scope for the second half. Applying this last principle led to a tightening in the applicable performance conditions for the options tranche in question.

The achievements for 2010 and 2011 are the following:

<b>Operating Margin</b> (in EUR million)	2010	2011*
Budget achievement (%)	101.4%	100.1%
<b>Free Cash Flow</b> (in EUR million)	2010	2011*
Budget achievement (%)	113.3%	111.5%
<b>Conditions met</b>	<b>YES</b>	<b>YES</b>

\*Siemens IT Solutions and Services integrated from 2011 second semester.

Performance conditions for Tranche 3 were verified over two consecutive years.  
The date for acquiring Tranche 3 is 1<sup>st</sup> April 2012.

D. Risks, governance and common stock  
D.4. Executive compensation and stock ownership

D.4.4 Fringe benefits of the Executive Director

Chairman and Chief Executive Officer	Employment contract		Supplementary Pension plan		Payment or Benefits effectively or potentially due in the event of termination or changing position		Non Compete Clause payment	
	YES	NO	YES	NO	YES	NO	YES	NO
Thierry Breton Chairman of the Management Directory Nov 16 2008 - February 10 2009 Chief Executive Officer February 10 2009 to date		NO	YES			NO		NO

Mr. Thierry Breton does not have an employment contract and will not receive any severance payment at the end of his mandate. The terms of the supplementary pension plan are described in paragraph D.4.5 "Compliance of global executive compensation with AFEP/MEDEF

recommendations." Furthermore, Mr. Thierry Breton will not receive compensation related to a non-competes clause.

D.4.5 Compliance of the executive Director compensation with AFEP/MEDEF recommendations

Upon review of the Executive Director compensation scheme, the Board of Directors ensured the compliance of all components of the Chairman and CEO's compensation with the recommendations of the AFEP/MEDEF Code.

This compliance analysis refers to the following points of interest:

**Employment contract:** Because he was never an employee of the company, the Chairman and CEO is not bound by any employment contract.

**Fixed remuneration:** Since 1<sup>st</sup> January 2012, the Chairman and CEO's fixed remuneration is set at EUR 1,35 million. The Board of Directors meeting held on 22 December 2011 took into account all components of the Chairman and CEO's remuneration and their competitive relevance. It is stipulated that these elements remained unchanged since he took office on 16 November 2008, in

compliance with commitments made as part of the company's three-year recovery plan. In this respect, the Board has taken into account the significant transformation of the Group, following the acquisition of Siemens IT Solutions and Services in July 2011, making Atos a European leader in information technology, with size increasing by 70%, compared to the ex-Atos Origin scope.

**Variable remuneration:** In 2009, the maximum amount for variable remuneration was capped at 100% of the fixed remuneration as part of the Company's three-year recovery plan - 18 November 2008 to 31<sup>st</sup> December 2011. On 22 December 2011, the Board of Directors, decided to maintain the on-target variable remuneration to 100% of the fixed remuneration, with the possibility, aligning all Executive Committee members, to achieve a maximum of 130% in case of over performance. Demanding and clear operating performance criteria was established and



documented to condition the obtaining of the variable part on achieving objectives. For the second semester of 2011, for example, the performance criteria were based on the target budget objective: 40% for the operating margin, 30% to generate free cash-flow and 30% to promote external revenue growth. To monitor Company performance more closely and establish a responsive way to follow its improvement plan, the objectives are set on a half-year basis.

**Severance pay:** there is no severance pay of any kind (golden parachutes, non-compete clauses etc.)

**Supplementary pension plan:** the Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's executive committee. The following items are noteworthy with regard to the AFEP/MEDEF recommendations: the beneficiary group is wider than the inner circle of executive directors since it applies to not only the members of senior management team, but also the 29 members of the executive committee, a total of 32 people. To benefit from this scheme, one must retire whilst maintaining a contractual link or corporate/administrative office with the Group or one of its entities; the pension paid by the company is the difference between, a) a maximum of 60% (based on years of contribution) of the reference salary based on the average of the past 5 years of only the fixed salary (excluding the variable compensation and any additional compensation) preceding retirement; and b) the pension paid by other legal or conventional plans (including any applicable defined contribution plans). A minimum of 10 years of cumulated seniority is required to receive benefits under this plan, with a maximum of 15 years, such that a newcomer to the plan who is over 50 (e.g. aged 50+n years) receives a benefit based on x years of contributions, up to a maximum of 5 years. Each contribution year can vest a percentage of potential rights limited to fixed compensation (4% of fixed salary, or thus corresponding to 2% of total fixed + variable salary). Using only the fixed salary is preferred instead of using the total salary in order to avoid windfall and provide visibility over the amounts to be funded. It should be noted that the potential retirement rights represent only a small percentage of the overall compensation of the beneficiaries.

**Performance shares:** on 22 December 2011, 991,050 performance shares were granted to the top first managers of the Group (740 managers). This involves the issuance

of new shares for employees or directors of the Company and/or companies or economic interest groups that are linked according to Article L. 225-197-2 of the Commercial Code, located in France or outside France.

• **Calendar period:** The Atos Board of Directors authorised a free performance share plan during its meeting of 22 December 2011. This grant was made in the same calendar period as the grant of stock options which was executed on 23 December 2008.

• **Percentage of shares granted to the Chairman and CEO:** The Board of Directors meeting of 22 December 2011 granted 65,000 performance shares to Mr. Thierry Breton, representing around 6% of the total number of granted shares, which is in the lower range compared to the market (market range between 2% and 14%), in line with AFEP-MEDEF recommendations.

• **Allocated volume:** The number of shares granted to the Chairman and CEO represents a security based compensation of approximately 43% of his total remuneration, which is in the average of market range (between 24% and 70%), and is in line with the AFEP-MEDEF recommendations (50%).

• **Conservation obligation:** The Board of Directors meeting of 22 December 2011 decided for the benefit of the Chairman and CEO, a conservation obligation of 25% of the performance shares granted for the duration of his mandate.

• **Hedging instruments:** The use of any hedging instrument is prohibited.

**Reminder about the stock options subscription plan dated 23 December 2008:** As indicated above, the Board, in consideration of both the situation of the Company in the context of its recovery plan, and the alignment of shareholder interest over the period, decided that the long-term retention/performance of the total compensation for 2009-2011 would operate exclusively in the form of granting stock subscription options under a three-year plan covering all of these objectives. Regarding also to the AFEP-MEDEF's recommendations concerning the grant of stock subscription options on the same calendar periods, it should be noted that the last stock option plan of the late 2008, was implemented along with the new management team taking office (the three-year plan dated 23 December 2008), with stock options being granted to different beneficiaries progressively with the creation of the new management team between 2009 and early 2010. Concerning the General management team in particular, it is reminded that the stock option plan was granted when

## D. Risks, governance and common stock

### D.4. Executive compensation and stock ownership

they took office late 2008; it was not followed by any additional stock option or free share grant either in 2009 or in 2010.

• **Allocated volumes:** The “volumetric” analysis obviously requires an accounting valuation of the allocated options as required by accounting and IFRS2 standards, to provide a relevant basis of comparison.

Several considerations have been taken into account when validating the volumes granted:

- First, there is a three-year plan organized in three equal tranches of 233,333 options each. It is therefore advisable to use the annual basis averaged over three years for any meaningful comparison. The Board wanted to ensure that the allocated volumes produced an annual accounting value for options around the level commonly used in the sector, and therefore, concerning stock options only, granted on an annual basis to the predecessor of the current executive/ corporate officer (who received an annual allocation of options equivalent to 110% of his fixed compensation, or face value of EUR 990,000 per year for the executive, or recorded as EUR 869,400 for the company - cf. 2008 annual report);
- Second (although not relevant considering that the grant was for the period 2009 to 2011), the scheme resulted in the total volume being consistent with the average posted by the top issuers in 2008, which represents roughly 50% of the total theoretical compensation. This ratio used to ensure that “valuation of allocated options is not disproportionate to the total compensation” is confirmed by the AMF in its report dated 9 July 2009 which states (page 43/57) that: “the options and shares allocated by the 44 companies that made allocations in 2008 represent an average of 48% of global compensation (fixed compensation, variable compensation, director’s fees, fringe benefits, stock options and free shares).” For the Chairman and CEO of Atos whose total maximum compensation (fixed + variable + fringe benefits) is EUR 2.405 million, this implies a maximum amount to accounting to be around EUR 2.405 million (therefore representing 50% of total compensation) to define the total volume of benefits allocated over three years (if complying with this ratio at the time of posting the total benefit in the company’s financial records).
- Volume of 700,000 options that are subject to the performance conditions indicated above therefore comply with this last consideration because they result in a posted 2008 accounting value for the three tranches,

respectively of EUR 1,054,670 for the first tranche, EUR 809,666 for the second tranche and EUR 590,332 for the third tranche, for a total of EUR 2,454,668 (thus representing 50.5% of the total compensation as defined above). The plan also complies with the first recommendation since on an annual basis, it corresponds to a three-year allocation of EUR 2,454,668 ÷ 3 = EUR 818,223/year, therefore below the EUR 869,400/year cap specified above. It is recalled that the predecessor of the executive director also received an additional annual allocation of free shares with a face value of EUR 540,000/year.

The Board therefore found that the volume of grant fully respects the objectives of an accounting valuation of annualized options that is “in the average” of comparable companies and “not disproportionate” to total compensation.

• **Percentage of securities allocated to the executive director:** As securities were granted to the executive director in 2008, accounting should compare the percentage with respect to all of the securities allocated in 2008, including those before his arrival in November, although the matter of consistency with this comparison may be raised since a managerial change occurred. However on an annualized basis in 2008, and therefore on a comparable basis, the percentage of securities allocated to the executive/corporate officer represents 6.3% of all securities granted over the year (options, free shares translated into equivalent stock options). We must add that a complementary profit sharing scheme (“accord de participation dérogatoire”) was implemented for all 15,000 employees present in France.

• **Reduced impact of potential windfalls:** The Board then sought to reduce the impact of any potential windfall effect resulting from the fact that the plan was carried out in a very bleak economic climate, with an uncertain duration and without full perspective of the general economic conditions and those of Atos sector, particularly in the medium term. Also, the Board decided that in addition to the performance conditions described above, the third tranche of the plan would be exercisable with a premium of 50% compared to the reference price and the second tranche would have a premium of 25% (see above). After the publication of the results for the first semester of 2009, Atos’ share price rose significantly (+30% over 2 months, only to drop back down later), as its volatility increased. Thus for the first tranche (which had no other performance conditions than the strike price

with a +5% premium), the Board decided to add reinforced operational performance conditions to be achieved, setting the performance requirement level at 85% achievement of the budgeted free cash flow and operating margin, compared to 80% for tranches 2 and 3. For ensuring that these performance conditions in this tranche are conducted, not only on a two full years basis, but also at least on three out of four semesters accrued over the period, the date of exercise of tranche 1 has been shifted to reflect this. In doing so, the Board highlighted the importance it gave, from the first phase of the three-year plan, to the success of the ongoing operational progress of the company over the long term, semester after semester. The first tranche is, more notably than the other two, conditioned to this success.

- **Hedging instruments:** use of any option hedging instruments is formally prohibited for the beneficiaries of stock option plans.

- **Retention of a percentage of shares from exercised stock options:** The Board decided that if options are exercised, the executive director should retain, while still part of the company, at least 5% of the shares acquired in a nominative account. This simple and documented mechanism is preferred over other sophisticated systems (percentage of the capital gain, percentage of fixed salary, variable or total etc.), which was perhaps more relevant for other companies than for Atos during this period, given the specific challenges presented by the achievement of this three-year plan.

- **Public disclosure given to the compensation of the executive director:** In the interests of transparency and good market information, all the elements that characterize the different components of the total compensation of the executive director were made public as soon as the scheme was adopted by the Board

**In conclusion, the analysis of the above items has led the Board to consider, in its meetings on 19 November 2009, 22 December 2010 and 22 December 2011, that the total compensation of the executive director was consistent in all respects with the AFEP/MEDEF recommendations. Accurate information was disclosed to the market showing all the specific elements mentioned above.**

## D. Risks, governance and common stock

### D.5. Resolutions

## D.5 Resolutions

### D.5.1 Proposed resolutions to the AGM

Resolutions submitted to the shareholders' vote will be published in the Bulletin des Annonces Légales Obligatoires (official legal gazette for listed companies) and will be posted on the Atos website ("Investors" section), as required by applicable laws and regulations (i.e. at least 35 days before the shareholders' meeting).

### D.5.2 Board of Directors reports to the Art. L 225-184 (French Commercial Code)

Dear Shareholders,

We hereby inform you that no stock subscription options were granted to legal representatives during the 2011 fiscal year.

There were no shares subscribed or shares bought following the exercise of stock-options by the legal representatives during the 2011 fiscal year.

During the year 2011, no stock-options or free share grants have been granted to non-legal representative employees of the Company (or of a company or economic interest group linked to the Company as per section L. 225-180 of the French Commercial Code).

The number and the balanced average price of the shares subscribed or bought during the year 2011 by way of exercising one or more owned options of the Company or a company or economic interest group linked to the Company as per section L. 225-180 of the French Commercial Code, by each of ten non-legal representative employees of the Company which have received the highest amount of option are the following:

Number of stock-options exercised	Average balanced price in euros
93,192	23.34

### D.5.3 Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company

Dear Shareholders,

We hereby inform you that the following transactions have been made on the shares of the Company by its legal representatives during the year 2011:

Name	Number of shares bought	Number of shares sold	Date	Purchase price in euros
Jean Fleming	583		09/05/2011	25.00*
Jean Fleming		583	09/05/2011	42.33
Roland Busch	1,000		13/07/2011	37.215

\*Ms. Jean Fleming acquired shares as part of the stock-option plan of 3 July 2009, which she then sold.

#### D.5.4 Board of Directors reports to the AGM pursuant to Art. L 225-197-4 (French Commercial Code)

Dear Shareholders,

We hereby inform you that, during the year 2011, 991,050 performance shares have been granted to employees and legal representatives.

Within the framework of this grant, the following performance shares have been granted to legal representatives during the year 2011:

Name	Number of shares	Date	Share price at the time of the grant
Thierry BRETON	65,000	22/12/11	33.78

The total number of performance shares granted during the year 2011 by the Company to the ten employees having received the highest amount of performance shares is the following:

Number of shares	Date	Share price at the time of the grant
181,000	22/12/11	33.78

## D.6 Code and charts

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### D.6.1 United Nations Global Compact Code of Ethics

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Atos places particular importance on upholding ethical rules in conducting its business. Since 2010, Atos adopted a new Code of Ethics which covers a greater range of principles: it reminds the employees the need to act

honestly, impartially and with integrity in their daily professional activity and in compliance with the legal framework applicable in every country where Atos conducts its business.

Since the end of 2010, the Code is distributed to all employees and is the topic of specific trainings for those who are directly concerned by the

principles in their day-to-day activity. Training sessions throughout the world have been launched since the beginning of 2011, and each employee who has followed this training must acknowledge receipt of it. Moreover, for all employment contracts signed as from 1<sup>st</sup> January 2011, the Code is attached to the agreement.

to respecting the principles of the Code. Third parties who assist Atos in its expansion must agree to the principles of the Code.

In addition, the suppliers and partners of Atos which contribute to develop its activities must formally commit

Atos treats its employees as well as third parties with integrity, based on merits and qualifications prohibiting any form of discrimination.

#### D.6.1.1 No Bribery or Corruption

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Atos refuses any form of corruption or dishonest or illegal practice with the aim to obtain a commercial advantage or other, as well as any money laundering. As participant to

the United Nations Global Compact, Atos subscribes to the anti-bribery in "all its forms, including extortion and bribery".

#### D.6.1.2 Fair competition

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Atos treats its customers, suppliers, partners, intermediaries with respect and shall not take unfair advantage nor practice discriminatory conditions. As a consequence, Atos refuses that its employees or third

parties assisting Atos in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

#### D.6.1.3 Conflicts of Interest

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Atos undertakes to ensure that all decisions taken by one of its employees within its professional activity are taken objectively and impartially, in the interest of Atos and not in the employee's own interest, whether financial or

personal. As a consequence, employees are asked to inform the company in cases where they would be in a situation of conflict of interest with competitors, clients or suppliers of Atos.

#### D.6.1.4 Protection of Atos Origin assets - Fraud

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The assets owned by Atos which consist in material such as hardware, or intellectual property rights or financial equity are used only for conducting Atos business and

pursuant to the law and rules defined by the Group: reporting must be of high quality, reliable and relevant, translating exactly the activities of the company.

#### D.6.1.5 Protection of confidentiality and privileged information

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Atos protects the confidential information it owns or which is made available to it by its customers, suppliers or partners. To this end, Atos has defined applicable rules in the case of use and disclosure of privileged information likely to impact the market of Atos' shares (see Section D6.4).

### D.6.2 Other applicable provisions

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Not all mandatory provisions applicable to Atos are contained in the Code of Ethics. A standard of policies set up by the different departments and adopted by the Group governs the activities of each employee, who must comply with, such as rules on delegation of authority and decision taking, on applicable clauses to client and supplier contracts, on the selection of potential employees and

their training or on the selection process for commercial partners.

In addition, Atos employees share all common values of the Group which guide them in their day-to-day behavior, both in the company and with their clients.

### D.6.3 Privileged Information and insider trading

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market for Atos securities. Accordingly, in order to ensure that there is a fair and open market in Atos securities, the Company's goal is also to publish material information to investors and shareholders regarding its activities immediately when it becomes known and under conditions that are equal for all. The Company requires all senior managers or employees having access to critical information ("relevant employees") to follow insider trading rules and regulations.

#### **Insider trading**

Inside information is classified as information having an impact on a decision of whether to buy, sell or retain any Atos securities, therefore distorting the market. The unauthorized 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, the French exchange commission) and civil proceedings. Accordingly, no employee may discuss or divulge any inside information to third parties

## D. Risks, governance and common stock

### D.6. Code and charts

or deal in Atos securities when he/she is in possession of any inside information.

#### **Dealing during closed periods**

"Relevant employees" may not deal in Atos securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos' annual financial statements and four weeks prior to publication of Atos' first, second and third quarter financial statements.

"Relevant employees" include (i) all directors and/or officers and/or managers of companies within the Atos Group and their direct subordinates and assistants; (ii) any key employee specifically designated as such by the Chairman and Chief Executive Officer; and (iii) any

employee who is likely to be in possession of unpublished privileged 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. The limitation does apply however to the sale of resulting shares.

#### **Dealings in Atos options**

Employees are forbidden to negotiate any protection against fluctuations in the potential capital gain to be obtained from Atos stock options or free shares granted by Atos to an individual in the course of their employment (whether through a call, a put or otherwise), except if expressly authorized by the Chairman and Chief Executive Officer.

### D.6.4

#### **Internal rules and charter of Board of Directors**

The Board of Directors has approved Internal Rules to which is attached a Charter of the Atos Board of Directors and a Guide to the Prevention of Insider Dealing. The Charter of the Board of Directors summarizes the mission and obligations of the members of the Board of Directors. The Charter covers in particular the following points: prohibition to hold a corporate office and an employee contract, company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members.

#### **Appointment**

Before accepting their mandate, each director must declare that he/she have understood the obligations binding upon them. He/she must also acknowledge the applicable laws and regulations, the Articles of Association of the Company, the Internal Rules of the Board of Directors, the Charter of the Board of Directors and the Guide to the Prevention of Insider Dealing. Directors must own in their own name at least one thousand nominee shares and, if they do not own such shares at appointment, they must acquire them within three months of their date of appointment.

#### **Directorship and Employment are mutually exclusive**

A director who becomes a legal representative of the Company shall undertake to terminate his or her employment contract with the Company (if such employment contract exists), either by contractual

termination or by resignation. This provision obviously does not apply to the director representing the employee shareholders.

#### **Defending the interests of the Company**

Each director represents all shareholders and must act at all times in their interest and in the interest of the Company. He/she must alert the Board of Directors of any event brought to his or her attention which he/she deems could affect the interests of the Company.

#### **Conflicts of interest**

The Atos "Code of Ethics" prohibits any director or staff member from having a conflict of interest between their personal and corporate responsibilities. Directors must inform the Board of Directors of any actual or potential conflict of interest of which they are aware. The director 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.

A conflict of interest arises when a director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the director's judgment (particularly as a client, supplier, business banker, legal representative).



#### **Attendance - Diligence**

By accepting their mandate, each director 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 director must attend all Board meetings and the meetings of all Board Committees to which they belong. He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its Management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

#### **Loyalty**

Each director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Group and shall act in good faith in all circumstances.

He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of Atos without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

#### **Independence**

The director carries out his or her functions in complete independence. He or she undertakes to preserve in all circumstances, his or her independence of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interests of the Company.

#### **Confidentiality**

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings. They

commit to 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 of Directors and of its committees.

#### **Inside information and trading in the Company's securities**

Directors may not trade in the Company's securities other than within the limits of the "Guide to the Prevention of Insider Dealing" approved by the Board of Directors. The Company prohibits trading in its securities especially during closed periods prior to the announcement of its annual and half-year results and quarterly revenue performance. Board members must inform the Company of any dealings in the securities of the Company within five days of executing the transactions, in order that the Company 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 Company shall be required to provide its directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable them to carry out their mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports.

A director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her missions, particularly in view of the agenda of the meetings. Should a director consider that he or she has not been put in a position that enables him or her to discuss with full knowledge of the facts, it is his or her duty to indicate such to the Board and to require that he or she be provided with the indispensable information.

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

## D.7 Common stock evolution and performance

### D.7.1 Basic data

Atos 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.

#### D.7.1.1 Information on stock

<b>Number of shares</b>	83,566,768
<b>Sector classification</b>	Information Technology
<b>Main index</b>	CAC AllShares
<b>Other indices</b>	CACIT, CACIT20, CAC Next20, Euronext 100, SBF120
<b>Market</b>	Eurolist segment A
<b>Trading place</b>	Euronext Paris (France)
<b>Tickers</b>	ATO (Euronext)
<b>Code ISIN</b>	FR0000051732
<b>Payability PEA/SRD</b>	Yes/Yes

#### The main tickers are:

Source	Codes
Euronext	ATO
AFP	ATO
Bloomberg	ATOFB
Reuters	ATOS.PA
Thomson Finance	ATOFR

#### 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 are also components of the following indices:**

Indice	Type	Code ISIN	Market Place
Eurolist (segment 1)	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext CAC70	Global Europe		Paris-Amsterdam-Brussels-Lisbon
Euronext100	Global Europe	FROO03502079	Paris-Amsterdam-Brussels-Lisbon
SBF 80	Global	FROO03999473	ParisPX8
SBF 120	Global	FROO03999481	ParisPX4
SBF 250	Global	FROO03999499	ParisPX5
CACIT20	Sector	QS0010989091	ParisCIT20
CACIT	Sector	FROO03501980	ParisPXT
DJEuroStoxx Techno	Sector	EURO009658541	Germany-Xetra SX8E
CAC Technology	Sector	QS0011017827	Paris
CAC Software & Computer Services	Sector	FROO00051732	Paris

Sustainable Development: ASPI Eurozone, FTSE4Good, Europa EMP 100 Europa CAP 100, ECPI Ethical Index Euro

**D.7.1.2 Free Float**

The free-float of the Group shares exclude stakes exceeding 5% of the issued capital of the Group, namely the two main shareholders, Financière Daunou 17 (PAI Partners) owning 21.4% of the Group share capital on 31<sup>st</sup> December 2011, and Siemens owning a participation of 14.9% of the capital which it committed to keeping until 30 June 2016.

No other reference shareholder has announced its will to maintain a strategic participation in the Group's capital. Stakes owned by the employees and the management are also excluded from the free float.

As of 31 December 2011	Shares	% of capital	% of voting rights	Nominal Value (in EUR)	Book value (in EUR)
Treasury stock	202,370	0.2%	0.2%	202,370	6,986,461
Financière Daunou17	17,855,541	21.4%	21.4%	17,855,541	
Siemens	12,483,153	14.9%	14.9%	12,483,153	
Board of Directors	15,640	0.0%	0.0%	15,640	
Employees	1,820,548	2.2%	2.2%	1,820,548	
Free float	51,189,516	61.3%	61.3%	51,189,516	
<b>Total</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>100.0%</b>	<b>83,566,768</b>	

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

#### D.7.2 Stock ownership

Principal changes in the ownership of the Group's shares in the past two years have been as follows:

	31 December 2011		31 December 2010		31 December 2009	
	Actions	%	Actions	%	Actions	%
Financière Daunou 17	17,855,541	21.4%	17,442,839	25.0%	15,765,838	22.6%
Siemens	12,483,153	14.9%				
Pardus			1,821,869	2.6%	7,000,004	10.0%
Centaurus					1,332,140	1.9%
FMR Llc (Fidelity)	4,121,717	4.9%	3,498,744	5.0%		
Board of Directors	15,640	0.0%	14,640	0.0%	14,938	0.0%
Employees	1,820,548	2.2%	2,523,605	3.6%	2,279,112	3.3%
Treasury stock	202,370	0.2%	253,551	0.4%	652,152	0.9%
Public	47,067,799	56.3%	44,358,829	64.3%	42,676,278	61.2%
<b>Total</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>69,914,077</b>	<b>100.0%</b>	<b>69,720,462</b>	<b>100.0%</b>
Registered shares	13,790,586	16.5%	1,403,026	2.0%	1,629,770	2.3%
Bearer shares	69,776,182	83.5%	68,511,051	98.0%	68,090,692	97.7%
<b>Total</b>	<b>83,566,768</b>	<b>100.0%</b>	<b>69,914,077</b>	<b>100.0%</b>	<b>69,720,462</b>	<b>100.0%</b>

The share ownership of the Group's Board of Directors at 31 December 2011 is detailed in section D.3 "Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control", and in section D.3 "Corporate Governance" of the reference document. The Group's shares which are owned by employees are mainly managed by mutual funds and a corporate savings plan.

The Treasury stock evolution is described below in the section "Treasury stock and liquidity contract".

During 2011, the Group has been advised of several upwards and downwards share movements from Financière Daunou 17 (PAI Partners), FMR Llc (Fidelity), and Siemens Beteiligungen Inland GmbH.

#### D.7.3 Dividend policy

During its meeting held on 22 February 2012, the Board of Directors decided to propose at the next Ordinary Shareholders Meeting to pay a dividend of 0.50 euro per share in 2012 on the 2011 results.

During the past three fiscal periods, Atos Origin has paid the following dividends:

Fiscal period	Dividend paid per share (in EUR)
2010	€ 0.50
2009	-
2008	-

## D.7.4 Shareholder Documentation

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In addition to the Reference Document, 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 Group's informational website at [www.atos.net](http://www.atos.net); and
- Regular press releases, available through the web site or via the AMF database

## D.7.5 Financial calendar

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25 April 2012	2012 First quarter revenue
30 May 2012	Annual General Meeting
27 July 2012	2012 Half-year results
25 October 2012	2012 Third quarter revenue

## D.7.6 Contacts

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Institutional investors, financial analysts and individual shareholders may obtain information from:

**Gilles Arditti, Group Senior Vice-President Investor Relations and financial communication,**

Tél.: +33 (0)1 73 26 00 66,  
[gillesarditti@atos.net](mailto:gillesarditti@atos.net)

Requests for information can also be sent by email to: [investors@atos.net](mailto:investors@atos.net)

## D.7.7 Update of Document issued

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The following list includes all financial information published or made available since 1 January 2010.

This document is a full free translation of the original French text.

**Websites mentioned:**

- Atos [www.atos.net](http://www.atos.net)
- AMF [www.amf-france.org](http://www.amf-france.org) > Décisions et informations financières > Communiqués des sociétés
- BALO [www.journal-officiel.gouv.fr](http://www.journal-officiel.gouv.fr)

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

Document	Date of issue	Source
<b>Financial reports</b>		
• Annual report 2011	05/04/12	Website Atos/ Website AMF
• Half-year report 2011	28/07/11	Website Atos/ Website AMF
• Annual report 2010	01/04/11	Website Atos/ Website AMF
• Half-year report 2010	28/07/10	Website Atos/ Website AMF
• Annual report 2009	01/04/10	Website Atos/ Website AMF
<b>Financial press releases</b>		
• Annual results 2011	23/02/12	Website Atos/ Website AMF
• Atos, EMC and VMware to form an open Cloud Computing strategic alliance	15/02/11	Website Atos/ Website AMF
• AFEP MEDEF recommendations	23/12/11	Website Atos/ Website AMF
• Atos, the European IT services powerhouse and UFIDA, the Chinese leader in management software solutions, join forces in cloud computing services	08/11/11	Website Atos/ Website AMF
• Third quarter revenue 2011	25/10/11	Website Atos/ Website AMF
• Half-year results 2011	27/07/11	Website Atos/ Website AMF
• Atos and Siemens have finalized the acquisition by Atos of Siemens IT Solutions and Services	01/07/11	Website Atos/ Website AMF
• Atos Extraordinary Shareholders meeting approved the acquisition of Siemens IT Solutions and Services by 99.99%	01/07/11	Website Atos/ Website AMF
• First quarter revenue 2011	10/05/11	Website Atos/ Website AMF
• Atos Origin successfully signs a five-year EUR 1.2 billion revolving credit facility	11/04/11	Website Atos/ Website AMF
• EU Commission approves the acquisition of Siemens IT Solutions and Services by Atos Origin and Services par Atos Origin	25/03/11	Website Atos/ Website AMF
• Definition and mode of calculation of the cash flows	11/03/11	Website Atos/ Website AMF
• Annual results 2010	16/02/11	Website Atos/ Website AMF
• Atos Origin signs a binding agreement to acquire Siemens IT Solutions and Services	01/02/11	Website Atos/ Website AMF
• Atos Origin and Siemens to create a European IT Champion	14/12/10	Website Atos/ Website AMF
• Third quarter revenue 2010	13/10/10	Website Atos/ Website AMF
• Half-year results 2010	28/07/10	Website Atos/ Website AMF
• First quarter revenue 2010	14/04/10	Website Atos/ Website AMF

Document	Date of issue	Source
• Annual results 2009	17/02/10	Website Atos/ Website AMF
<b>Financial presentations</b>		
• Annual results 2011	23/02/12	Website Atos
• Third quarter revenue 2011	25/10/11	Website Atos
• Investor Day 2011	06/10/11	Website Atos
• Half-year results 2011	27/07/11	Website Atos
• AGM1 July 2011	1/7/2011	Website Atos
• AGM1 June 2011	01/06/11	Website Atos
• First quarter revenue 2011	10/05/11	Website Atos
• Annual results 2010	16/02/11	Website Atos
• Alliance between Atos Origin and Siemens	15/12/10	Website Atos
• Third quarter revenue 2010	13/10/10	Website Atos
• Half-year results 2010	28/07/10	Website Atos
• AGM 27 May 2010	27/05/10	Website Atos
• First quarter revenue 2010	14/04/10	Website Atos
• Annual results 2009	17/02/10	Website Atos
<b>Other financial communications</b>		
• Description of trading program of Company's shares	03/07/11-25/06/10	Website Atos/ Website AMF
<b>Shareholders' meetings</b>		
• Extraordinary AGM - SIS Acquisition	01/07/11	Website Atos
• Shareholders' meeting presentation 2010	01/06/11	Website Atos
• Shareholders' meeting presentation 2009	27/05/10	Website Atos
<b>Financial statements</b>		
• Consolidated financial statements 2011	23/02/12-05/04/12	Company's registered office / Commercial court / Reference Document
• Parent company financial statements 2011	05/04/12	Company's registered office / Commercial court / Reference Document
• Condensated consolidated financial statements for the first half 2011	02/08/11	Company's registered office / Commercial court / Half-year report
• Consolidated financial statements 2010	16/02/11-01/04/11	Company's registered office / Commercial court / Reference Document
• Parent company financial statements 2010	01/04/11	Company's registered office / Commercial court / Reference Document
• Condensated consolidated financial statements for the first half 2010	31/07/10	Company's registered office / Commercial court / Half-year report

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

Document	Date of issue	Source
• Consolidated financial statements 2009	17/02/10-01/04/10	Company's registered office / Commercial court / Reference Document
• Parent company financial statements 2009	01/04/10	Company's registered office / Commercial court / Reference Document
<b>Auditors reports</b>		
• Auditors' report on the consolidated financial statements 2011	05/04/12	Company's registered office / Commercial court / Reference Document
• Auditors' report on the parent company financial statements 2011	05/04/12	Company's registered office / Commercial court / Reference Document
• Auditors special report on regulated agreements 2011	05/04/12	Company's registered office / Reference Document
• Auditors' special report on the report prepared by the Chairman of the Board of Directors 2011	05/04/12	Company's registered office / Reference Document
• Auditors' letter regarding the information given in the Reference Document 2011	05/04/12	Company's registered office
• Auditors' report on the consolidated financial statements 2010	05/04/11	Company's registered office / Commercial court / Reference Document
• Auditors' report on the parent company financial statements 2010	01/04/11	Company's registered office / Commercial court / Reference Document
• Auditors special report on regulated agreements 2010	01/04/11	Company's registered office / Reference Document
• Auditors' special report on the report prepared by the Chairman of the Board of Directors 2010	01/04/11	Company's registered office / Reference Document
• Auditors' letter regarding the information given in the Reference Document 2010	01/04/11	Company's registered office
• Auditors' report on the consolidated financial statements 2009	01/04/10	Company's register office / Commercial court / Reference Document
• Auditors' report on the parent company financial statements 2009	01/04/10	Company's registered office / Commercial court / Reference Document
• Auditors special report on regulated agreements 2009	01/04/10	Company's registered office / Reference Document
• Auditors' special report on the report prepared by the Chairman of the Board of Directors 2009	01/04/10	Company's registered office / Reference Document
• Auditors' letter regarding the information given in the Reference Document 2009	01/04/10	Company's registered office



Document	Date of issue	Source
<b>Declarations</b>		
• Total Number of Voting Rights and Shares (monthly)	29/02/12-31/01/12-31/12-31/10/11-31/10/11-31/09/11-31/08/11-31/07/11-31/06/11-31/05/11-31/04/11-31/03/11-28/02/11-31/01/11-31/12/10-30/11/10-31/10/10-30/09/10-31/08/10-31/07/10-30/06/10-31/05/10-30/04/10-31/03/10-28/02/10-31/01/10	Website Atos/ Website AMF
• Declaration of share transfer made by Members of the Management of Atos	13/05/11-09/05/11-01/04/11-02/09/10-22/02/10	Website Atos/ Reference Document
• Liquidity contract - Half-Year declaration	19/01/12-13/07/12-05/01/11-02/07/10-05/01/10	Website Atos/ Website AMF

## D.7.8

## Common stock

## D.7.8.1 At 31 December 2011

At 31 December 2011, the Group's issued common stock amounted to EUR 83.5 million, comprising 83,566,768 fully paid-up shares of EUR 1.00 per value each.

Compared to the 31 December 2010 share capital, the capital was increased by the issuance of 12,483,153 new

shares following the increase in capital for Siemens on 1<sup>st</sup> July 2011, by 950,468 new shares following the increase in capital for the employees on 14 December 2011 and by 219,070 new shares resulting from the exercise of stock subscription options during the 2011 financial year.

Transactions	Number of shares issued	Common stock	(in EUR million)	
			Additional paid in capital	Total
<b>At 31 December 2010</b>	<b>69,914,077</b>	<b>69.9</b>	<b>1,414.0</b>	<b>1,483.9</b>
Exercise of stock options	219,070	0.2	5.0	5.2
Acquisition Siemens IT Solutions and Services	12,483,153	12.5	401.7	414.2
Capital increase for employees	950,468	1.0	25.9	26.9
<b>At 31 December 2011</b>	<b>83,566,768</b>	<b>83.6</b>	<b>1,846.6</b>	<b>1,930.2</b>

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

#### D.7.8.2 Over last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
					(in EUR million)		
<b>2007</b>	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	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
<b>2008</b>	Exercise of stock options	31/03/2008	1,708	69,711,862	0.0	0	69.7
	Exercise of stock options	30/06/2008	2,746	69,714,608	0.0	0.1	69.7
	Exercise of stock options	31/12/2008	2,845	69,717,453	0.0	0.1	69.7
<b>2009</b>	Exercise of stock options	31/12/2009	3,009	69,720,462	0.0	0.1	69.7
<b>2010</b>	Exercise of stock options	31/03/2010	10,250	69,730,712	0.0	0.3	69.7
	Exercise of stock options	30/06/2010	10,526	69,741,238	0.0	0.2	69.7
	Exercise of stock options	30/09/2010	72,870	69,814,108	0.1	1.5	69.8
	Exercise of stock options	31/12/2010	99,969	69,914,077	0.1	2.2	69.9
<b>2011</b>	Exercise of stock options	31/03/2011	62,524	69,976,601	0.1	1.4	70.0
	Capital increase for Siemens IT Solutions acquisition	1/7/2011	12,483,153	82,459,754	12.5	401.7	82.5
	Exercise of stock options	4/10/2011	128,716	82,588,470	0.1	2.9	82.6
	Capital increase for employees	14/12/2011	950,468	82,538,938	1.0	25.9	82.5
	Exercise of stock options	30/12/2011	27,830	83,566,768	0.0	0.7	83.6

A total of 219,070 stock options were exercised during the period, representing 2.31% of the total number of stock options at 31 December 2010.

#### D.7.8.3 Disclosure of interests

FMR Llc (Fidelity) has announced several upward and downward share movements, the last one being the cross of the threshold of 5.06% of Group shares announced on 10 November 2011.

Siemens Beteiligungen Inland GmbH has announced the upward share movement crossing the thresholds of 5,10 and 15% on 7 July 2011 following the attribution of 12,483,153 new shares as compensation for the contribution to the company of one share in the company Siemens IT and Services GmbH (Siemens IT Solutions and Services).

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

Following this, Financière Daunou17 announced a downward share movement having crossed the 25% threshold.

	Declaration statement	Shares	% interest <sup>(1)</sup>	% voting rights <sup>(2)</sup>
Siemens Beteiligungen Inland GmbH (upwards)	07/07/2011	12,483,153	15.13%	15.13%
FMR LLC (downwards)	19/09/2011	4,127,479	4.99%	4.99%
FMR LLC (upwards)	20/09/2011	4,166,393	5.04%	5.04%
FMR LLC (downwards)	25/10/2011	4,112,769	4.98%	4.98%
FMR LLC (upwards)	10/11/2011	4,178,403	5.06%	5.06%
FMR LLC (downwards)	22/11/2011	4,121,717	4.99%	4.99%
Financière Daunou 17 (downwards)	15/12/2011	17,629,392	21.37%	21.37%

(1) On the basis of the capital at this date.

(2) 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.

#### D.7.8.4 Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

#### D.7.8.5 Shareholders agreements

The Group has not received notice of any shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group Management, no other "Action de Concert" (shareholder agreements) or similar agreements exist.

To the knowledge of the Group, there are no other agreements capable of having a material effect on the share capital of the Group.

#### D.7.8.6 Treasury stock and liquidity contract

Atos 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

harter of the AMAFI approved by the instruction of the Commission des Opérations de Bourse (COB) dated 10 April 2001.

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

In shares	January 2011	Feb. 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011	Sept. 2011	October 2011	Nov. 2011	Dec. 2011
<b>Buy</b>	<b>64,545</b>	<b>104,833</b>	<b>176,008</b>	<b>128,574</b>	<b>74,550</b>	<b>67,667</b>	<b>108,050</b>	<b>41,550</b>	<b>72,725</b>	<b>92,550</b>	<b>37,500</b>	<b>30,547</b>
Buy YtD	64,545	169,378	345,386	473,960	548,510	616,177	724,227	765,777	838,502	931,052	968,552	999,099
Ventes	(64,545)	(104,833)	(153,508)	(151,074)	(74,550)	(67,667)	(108,050)	(41,550)	(72,725)	(77,550)	(52,500)	(30,547)
Sell YtD	(64,545)	(169,378)	(322,886)	(473,960)	(548,510)	(616,177)	(724,227)	(765,777)	(838,502)	(916,052)	(968,552)	(999,099)
Net YtD	0	0	22,500	0	0	0	0	0	0	15,000	0	0
Net in the month	0	0	22,500	(22,500)	0	0	0	0	0	15,000	(15,000)	0
LTI/MIP (in the month)					(30,953)	(20,228)						
Treasury stock	253,551	253,551	276,051	253,551	222,598	202,370	202,370	202,370	202,370	217,370	202,370	202,370
Common stock	69,934,667	69,957,096	69,976,601	69,991,121	70,005,734	82,503,874	82,554,379	82,587,996	82,588,470	82,588,720	82,600,163	83,566,768
%	0.4%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%

For the implementation of the contract, EUR 15 million were allocated to the liquidity account. At 31 December 2011, the Group held 202,370 of its own shares, but none related to the liquidity contract. They correspond to the LTI and MIP plans engagements. The risk on common stock is limited to treasury stock.

On average, in 2011, the transaction stock prices have amounted to:

- EUR 37.55 per stock for the purchase of treasury stock;
- EUR 37.98 per stock for the sale of treasury stock.

At 31 December 2011, treasury stock held by the Group amounted to 202,370 shares with nominal value of EUR 100 per share, representing 0.24% of the common stock, with a book value of EUR 6,986,461.

The 4<sup>th</sup> resolution of the Annual General Meeting of 1<sup>st</sup> June 2011 renewed the authorisation to trade in the Group's shares. The number of shares purchased may not exceed 10% of the share capital of the Company, at any moment in time, such percentage applying to a capital adjusted in accordance with the operations which shall have an effect on the share capital subsequently to the 1<sup>st</sup> June 2011 General Meeting, it being specified that in the case of shares purchased within a liquidity contract, the number of shares taken into account to determine the 10% limit shall correspond to the number of shares purchased from which shall be deducted the number of shares resold during the length of the duration of the authorisation

These purchases could be carried out by virtue of any allocation permitted by law, with the aims of this share repurchase program being:

- to maintain them or subsequently use them for payment or exchange within the context of possible external growth operations, in observance of the market practices accepted by the AMF, it being specified that the maximum amount of shares acquired by the Company to this end shall not exceed 5% of the share capital,
- to ensure liquidity and lead the market of the Company's shares within the context of a liquidity contract concluded with an investment service provider in complete independence, in observance of the professional conduct charter accepted by the AMF,
- to attribute or to sell these to the representatives or employees of the Company and/or linked companies (present or future), under the conditions and according to the procedures established by the legal and regulatory provisions applicable within the context (i) of the participation in the benefits of expansion of the company, (ii) of the share option regime established by articles L. 225-179 and seq. of the Commercial Code, (iii) of the free share issuance regime established by articles L. 225-197-1 to L. 225-197-3 of the Commercial Code and (iv) of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides,

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

- to tender these at the time of exercise of the rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other form of attribution of the shares of the Company, as well as to carry out all hedging operations with regard to the issuance of such securities, under the conditions established by market authorities and during periods when the Board of Directors or person acting as its representative so decides, or,
- to cancel them as a whole or in part through a reduction of the share capital by way of application of the eighth resolution of the Shareholders meeting held on 1 June 2011.

The maximum purchase price may not exceed EUR 62.07 (net of fees) per share.

The Board of Directors may nevertheless adjust the aforementioned purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and attribution of free shares, as well as in the event of division of the nominal value of the share or regrouping of the shares to take account of the effect of these operations on the value of the share.

This authorisation has been granted for a period of eighteen (18) months as from 1<sup>st</sup> June 2011.

Legal documents relating to trading in the Group's shares may be viewed at the Group's registered office (Legal Department) by prior appointment and are available through the AMF database.

#### D.7.8.7 Potential common stock (stock option and convertible bond)

##### Potential dilution

Based on 83,566,768 shares in issue, the common stock of the Group could be increased by 20,319,187 new shares, representing 19.6% of the common stock after dilution. This dilution could occur with the exercise of all stock

subscription options granted to employees or through the conversion of the convertible bond issued in 2009 and 2011; or through the acquisition of performance shares granted on 22 December 2011 as follows:

In shares	31 December 2011	31 December 2010	Change	% dilution	EUR million
<b>Number of shares outstanding</b>	<b>83,566,768</b>	<b>69,914,077</b>	<b>13,652,691</b>		
Convertible bonds 2009	5,414,771	5,414,771	0	5.2%	
Convertible bonds 2011	5,382,131		5,382,131	5.2%	
Stock subscription options	8,531,235	9,477,800	(946,565)	8.2%	336.9
Performance shares	991,050		991,050	1.0%	
<b>Potential dilution</b>	<b>20,319,187</b>	<b>14,892,571</b>	<b>5,426,616</b>	<b>19.6%</b>	
<b>Total potential common stock</b>	<b>103,885,955</b>	<b>84,806,648</b>	<b>19,079,307</b>		

The exercise of all the options would have the effect of increasing total shareholders' equity by EUR 336.9 million and common stock by EUR 8.5 million.

**However, 56% of the total number of stock options granted to employees had a strike price that exceeds the stock market price as at 30 December 2011 (EUR 33.91).**

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

#### Stock options evolution

<b>Number of stock subscription options at 31 Dec. 2010</b>	<b>9,477,800</b>
Stock subscription options granted in 2011	0
Stock subscription options exercised in 2011	(219,070)
Stock subscription options forfeited in 2011	(162,445)
Stock subscription expired in 2011	(565,050)
<b>Number of stock subscription options at 31 Dec. 2011</b>	<b>8,531,235</b>

A total of 727,495 stock subscription options were cancelled (i.e. forfeited or expired) in 2011 and 219,070 were exercised.

#### Detail of the stock options as of December 31 2011

Date of shareholders' meeting	Date of Board meeting	Options granted	Of which members of the Board	Of which ten high grants	Options exercised	Options cancelled	Closing 31/12/11	Of which members of the Board	Numbers of beneficiaries	Exercise period start date	Exercise period end date	Strike Price (EUR)	Cash EUR million
31/10/00	15/01/01	5,000	0	0	0	5,000	0	0	2	15/01/04	15/01/11	76.23	0.0
31/10/00	15/01/01	500	0	0	0	500	0	0	1	15/01/05	15/01/11	76.23	0.0
31/10/00	23/04/01	4,000	0	0	0	4,000	0	0	3	23/04/04	23/04/11	84.33	0.0
31/10/00	23/04/01	3,200	0	0	0	3,200	0	0	3	23/04/05	23/04/11	84.33	0.0
31/10/00	18/09/01	2,200	0	0	0	2,200	0	0	1	18/09/05	18/09/11	80.71	0.0
31/10/00	08/10/01	1,800	0	0	0	1,800	0	0	3	08/10/04	08/10/11	74.06	0.0
31/10/00	11/12/01	5,000	0	0	0	5,000	0	0	1	11/12/04	11/12/11	79.36	0.0
31/10/00	12/12/01	410,350	0	33,000	0	410,350	0	0	774	12/12/04	12/12/11	79.04	0.0
31/10/00	12/12/01	236,400	0	8,500	0	236,400	0	0	522	12/12/05	12/12/11	79.04	0.0
31/10/00	14/01/02	2,500	0	0	0	500	2,000	0	2	14/01/05	14/01/12	75.17	0.2
31/10/00	14/01/02	1,000	0	0	0	500	500	0	2	14/01/06	14/01/12	75.17	0.0
31/10/00	16/04/02	1,350	0	0	0	1,100	250	0	3	16/04/05	16/04/12	87.51	0.0
31/10/00	16/04/02	1,000	0	0	0	0	1,000	0	1	16/04/06	16/04/12	87.51	0.1
31/10/00	20/06/02	11,101	0	6,943	0	2,806	8,295	0	815	20/06/05	20/06/12	63.06	0.5
31/10/00	20/06/02	6,000	0	0	0	6,000	0	0	4	20/06/05	20/06/12	63.06	0.0
31/10/00	20/06/02	12,574	0	331	0	2,178	10,396	0	1,536	20/06/06	20/06/12	63.06	0.7
31/10/00	01/07/02	45,000	0	0	0	0	45,000	0	4	01/07/05	01/07/12	62.32	2.8
31/10/00	01/07/02	20,000	0	0	0	0	20,000	0	2	01/07/06	01/07/12	62.32	1.2
31/10/00	09/07/02	5,000	0	0	0	5,000	0	0	3	09/07/06	09/07/12	61.49	0.0
31/10/00	16/08/02	184,606	0	24,650	46,730	87,228	50,648	0	146	16/08/05	16/08/12	41.52	2.1
31/10/00	02/10/02	2,000	0	0	500	500	1,000	0	4	02/10/05	02/10/12	41.52	0.0
31/10/00	15/10/02	3,000	0	0	3,000	0	0	0	1	15/10/05	15/10/12	26.02	0.0
31/10/00	15/10/02	100	0	0	100	0	0	0	1	15/10/06	15/10/12	26.02	0.0
31/10/00	27/03/03	616,410	0	25,300	390,301	56,012	170,097	0	1,447	01/01/05	27/03/13	25.92	4.4
31/10/00	27/03/03	348,902	0	10,564	159,745	13,764	175,393	0	3,444	27/03/07	27/03/13	25.92	4.5
31/10/00	16/06/03	2,000	0	0	0	2,000	0	0	2	16/06/07	16/06/13	30.88	0.0

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

Date of shareholders' meeting	Date of Board meeting	Options granted	Of which members of the Board	Of which ten high grants	Options exercised	Options cancelled	Closing 31/12/11	Of which members of the Board	Numbers of beneficiaries	Exercise period start date	Exercise period end date	Strike Price (EUR)	Cash EUR million
31/10/00	08/07/03	500	0	0	0	0	500	0	1	08/07/06	08/07/13	31.81	0.0
31/10/00	01/10/03	1,500	0	0	0	1,000	500	0	2	01/10/06	01/10/13	49.87	0.0
31/10/00	01/10/03	762	0	0	0	0	762	0	1	01/10/07	01/10/13	49.87	0.0
31/10/00	09/02/04	1,172,125	0	117,000	51,675	63,475	1,056,975	0	1,220	01/01/06	09/02/14	54.14	57.2
22/01/04	09/02/04	414,750	0	52,000	0	13,425	401,325	0	686	09/02/08	09/02/14	54.14	21.7
04/06/04	10/01/05	805,450	0	52,500	500	116,867	688,083	0	803	10/01/08	10/01/15	49.75	34.2
04/06/04	10/01/05	347,250	0	41,500	200	23,905	323,145	0	567	10/01/09	10/01/15	49.75	16.1
04/06/04	28/04/05	750	0	0	0	500	250	0	1	28/04/08	28/04/15	49.98	0.0
04/06/04	28/04/05	6,750	0	0	0	1,333	5,417	0	5	28/04/09	28/04/15	49.98	0.3
04/06/04	26/10/05	5,200	0	0	0	1,999	3,201	0	3	26/10/09	26/10/15	58.04	0.2
04/06/04	12/12/05	20,000	0	0	0	0	20,000	0	1	12/12/08	12/12/15	57.07	1.1
04/06/04	12/12/05	15,000	0	0	0	6,666	8,334	0	1	12/12/09	12/12/15	57.07	0.5
04/06/04	29/03/06	810,130	0	50,000	0	160,717	649,413	0	828	29/03/09	29/03/16	59.99	39.0
04/06/04	29/03/06	337,860	0	44,500	0	34,774	303,086	0	420	29/03/10	29/03/16	59.99	18.2
04/06/04	01/12/06	50,000	0	0	0	0	50,000	0	1	01/12/10	01/12/16	43.87	2.2
04/06/04	19/12/06	16,150	0	0	0	4,063	12,087	0	24	19/12/09	19/12/16	43.16	0.5
04/06/04	19/12/06	3,000	0	0	0	166	2,834	0	6	19/12/10	19/12/16	43.16	0.1
23/05/07	09/10/07	20,000	0	0	0	0	20,000	0	1	09/10/10	09/10/17	40.35	0.8
23/05/07	09/10/07	5,000	0	0	0	0	5,000	0	1	09/10/11	09/10/17	40.35	0.2
23/05/07	10/03/08	190,000	0	0	0	140,000	50,000	0	3	10/03/14	10/03/18	34.73	1.7
23/05/07	22/07/08	5,000	0	0	0	0	5,000	0	1	22/07/11	22/07/18	34.72	0.2
23/05/07	22/07/08	2,500	0	0	0	0	2,500	0	1	22/07/12	22/07/18	34.72	0.1
23/05/07	23/12/08	459,348	233,334	182,672	14,698	3,334	441,316	233,334	24	01/04/10	31/03/18	18.40	8.1
23/05/07	23/12/08	459,326	233,333	182,664	9,332	6,666	443,328	233,333	24	01/04/11	31/03/18	22.00	9.8
23/05/07	23/12/08	459,326	233,333	182,664	0	9,999	449,327	233,333	24	01/04/12	31/03/18	26.40	11.9
23/05/07	26/03/09	611,714	0	333,340	152,426	43,336	415,952	0	74	01/07/10	30/06/18	20.64	8.6
23/05/07	26/03/09	611,643	0	333,330	69,662	78,330	463,651	0	74	01/07/11	30/06/18	24.57	11.4
23/05/07	26/03/09	611,643	0	333,330	0	128,828	482,815	0	74	01/07/12	30/06/18	29.49	14.2
26/05/09	03/07/09	481,414	0	108,338	73,267	46,696	361,451	0	438	01/07/10	30/06/18	25.00	9.0
26/05/09	03/07/09	481,108	0	108,332	5,613	86,981	388,514	0	438	01/07/11	30/06/18	30.00	11.7
26/05/09	03/07/09	480,978	0	108,330	0	98,124	382,854	0	438	01/07/12	30/06/18	35.00	13.4
26/05/09	04/09/09	86,347	0	75,840	466	3,502	82,379	0	24	01/07/10	30/06/18	34.28	2.8
26/05/09	04/09/09	86,334	0	75,830	0	6,834	79,500	0	24	01/07/11	30/06/18	40.81	3.2
26/05/09	04/09/09	86,319	0	75,830	0	6,996	79,323	0	24	01/07/12	30/06/18	48.97	3.9
26/05/09	31/12/10	124,842	0	106,673	0	0	124,842	0	18	01/07/11	30/06/19	40.41	5.0
26/05/09	31/12/10	124,830	0	106,664	0	3,333	121,497	0	18	01/07/12	30/06/19	48.11	5.8
26/05/09	31/12/10	124,828	0	106,663	0	3,333	121,495	0	18	01/07/13	30/06/19	57.74	7.0
<b>Total</b>		<b>11,450,670</b>	<b>700,000</b>	<b>2,887,288</b>	<b>978,215</b>	<b>1,941,220</b>	<b>8,531,235</b>	<b>700,000</b>					<b>336.9</b>

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

The weighted average strike price of the above-mentioned options is summarized in the table below:

	31 December 2011	Weighted average strike price (EUR)	Value (EUR million)	% total stock options
Strike price from EUR10 to EUR20	441,316	18.40	8.1	5%
Strike price from EUR20 to EUR30	2,962,014	24.92	73.8	35%
Strike price from EUR30 to EUR40	911,747	32.79	29.9	11%
Strike price from EUR40 to EUR50	1,564,888	47.71	74.7	18%
Strike price from EUR50 to EUR60	2,563,829	56.52	144.9	30%
Strike price from EUR60 to EUR70	83,691	62.49	5.2	1%
Strike price from EUR70 to EUR80	2,500	75.17	0.2	0%
Strike price from EUR80 to EUR90	1,250	87.51	0.1	0%
<b>Total Stock options</b>	<b>8,531,235</b>	<b>39.49</b>	<b>336.9</b>	<b>100%</b>

	31 December 2011	Weighted average strike price (EUR)	Value (EUR million)	% total stock options
Already exercisable end of 2011	6,841,424	40.76	278.9	80%
Exercisable in 2012	1,518,316	32.48	49.3	18%
Exercisable in 2013	121,495	57.74	7.0	1%
Exercisable in 2014	50,000	34.73	1.7	1%
<b>Total Stock options</b>	<b>8,531,235</b>	<b>39.49</b>	<b>336.9</b>	<b>100%</b>

At the end of 2011, the weighted average strike price of stock options granted to employees was EUR 39.49 (down -4.5% compared to EUR 41.35 at the end of December 2010).



**Unused authorizations to issue shares and share equivalents**

Having regard to resolutions voted during the Annual Shareholders Meetings of 26 May 2009, 27 May 2010, 1<sup>st</sup> June 2011 and 1<sup>st</sup> July 2011, the available authorizations to issue shares and share equivalents are the following:

Authorization (in euros)	Authorized amount Par value	Utilized amount Par value	Not utilized amount Par value	Authorization Expiry date
E.G.M 27/05/2010 10 <sup>th</sup> resolution Common stock increase with preferential rights(*)	20,000,000	0	20,000,000	27/07/2012
E.G.M 27/05/2010 11 <sup>th</sup> resolution Common stock increase with preferential rights(*)	10,500,000	0	10,500,000	27/07/2012
E.G.M 27/05/2010 13 <sup>th</sup> resolution Common stock increase in the event of a public exchange offer (*)	10,500,000	0	10,500,000	27/07/2012
E.G.M 27/05/2010 14 <sup>th</sup> resolution Common stock increase in payment for contributions in kind (*)	6,973,071	0	6,973,071	27/07/2012
E.G.M 26/05/2010 19 <sup>th</sup> resolution Stock subscription options or stock purchase for employees	2,091,523	1,702,500 in 2009 374,500 in 2010	14,523	26/07/2012
E.G.M 27/05/2010 16 <sup>th</sup> resolution Commons stock increase reserved for employees	1,394,614	950,468	444,146	27/07/2012
E.G.M 01/07/2011 4 <sup>th</sup> resolution Attribution of performance shares to employees	1,002,467	991,050	11,417	01/09/2014
<i>(*) within the global limit of EUR 20,000,000 for the aggregate authorizations of the 10<sup>th</sup> and 14<sup>th</sup> resolutions, according to the maximum set by the 15<sup>th</sup> resolution adopted the 27 May 2010.</i>				
E.G.M 01/06/2011 8 <sup>th</sup> resolution Capital decrease	6,997,660		6,997,660	01/01/2013

The authorization to issue new shares is of a maximum of 21,461,136, i.e. 25.7% of the current common stock.

The following authorization to cancel shares corresponded to 10% of the issued common stock at 1<sup>st</sup> June 2011 Shareholders Meeting.

**Bonds convertible into and or exchangeable for new or existing shares (OCEANE)**

On 21 October 2009, Atos issued 5,414,771 bonds convertible into and or exchangeable for new or existing Atos Origin shares (OCEANE) with a six-year and two-month term, for a total amount of EUR 249,999,977.07. These bonds have a nominal share value of EUR 46.17. The

bonds will be redeemed on 1<sup>st</sup> January 2016. The annual interest rate is 2.5% payable on January 1<sup>st</sup> of each year as from 1<sup>st</sup> January 2010. The conversion period for the bonds stretches from 29 October 2009 to 8 January 2013.

As of 31 December 2011, no bonds have been converted into shares.

On 1<sup>st</sup> July 2011, Atos issued 5,382,131 bonds convertible into and or exchangeable for new or existing Atos Origin shares (OCEANE) with a five-year term, for a total amount of EUR 249,999,985. These bonds have a nominal share value of EUR 46.45. The subscription of the Bonds has been reserved for Siemens Beteiligungen Inland GmbH. The

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

annual interest rate is 1.5% (excluding conversion and/or exchange of shares and excluding anticipated amortisation) payable on January 1<sup>st</sup> of each year (or the next business day if that day is not a business day). The bonds are not rated and will not be listed or publicly

traded. The conversion period for the bonds stretches from the issuance date until the seventh business day (included) prior to the normal or anticipated repayment date. Atos will be able to choose between issuing new shares or existing shares or a combination of both.

## D.7.9

### Share trading performance

#### D.7.9.1 Key figures

	2011	2010	2009	2008	2007
Highest (in EUR)	43.50	40.72	38.46	40.45	55.29
Lowest (in EUR)	30.24	29.82	16.51	15.01	32.80
Closing as of 30/12 (in EUR)	33.91	39.84	32.09	17.92	35.35
Average daily volume processed on Euronext platform (in number of shares)	294,530	296,552	182,398	395,561	821,106
Free-float	61.3%	71.1%	99.1%	98.4%	99.0%
Market capitalization as of 31/12 (in EUR million)	2,911	2,785	2,237	1,249	2,464
Enterprise Value as of 31/12* (in EUR million)	3,053	2,925	2,376	1,553	2,802
EV/revenue	0.44	0.58	0.46	0.28	0.48
EV/OMDA	4.71	5.5	4.7	3.3	5.5
EV/OM	7.04	8.7	8.2	5.8	10.3
P/E (year-end stock price ÷ normalized basic EPS)	15.6	12.7	6.9	12.2	6.9

\*Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization)

#### D.7.9.2 Market capitalization

Based on a closing share price of EUR 33.91 on 30 December 2012 and 83,566,768 shares in issue, the market capitalization of the Group at 31 December 2011 was EUR 2 833 million up by +1.72 per cent compared to EUR 2,785 million at the end of December 2010.

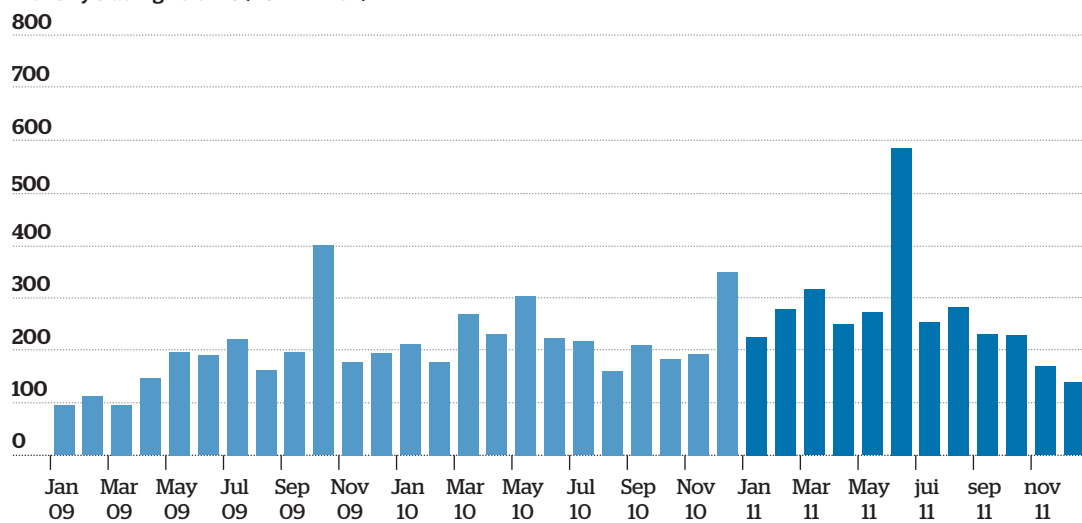
In terms of market capitalisation, Atos Origin is ranked 66<sup>th</sup> (vs. 80<sup>th</sup> in 2010) within the Eurolist index, which includes the largest companies by market capitalisation on the Paris exchange.

### D.7.9.3 Traded volumes

Source: Euronext	Trading Volume (including non NSC platform)	
	(in thousands of shares)	(in EUR million)
1 <sup>st</sup> Quarter 2011	19,991	820
2 <sup>nd</sup> Quarter 2011	28,181	1,108
3 <sup>rd</sup> Quarter 2011	22,498	767
4 <sup>th</sup> Quarter 2011	15,653	537
<b>Total</b>	<b>86,323</b>	<b>3,232</b>

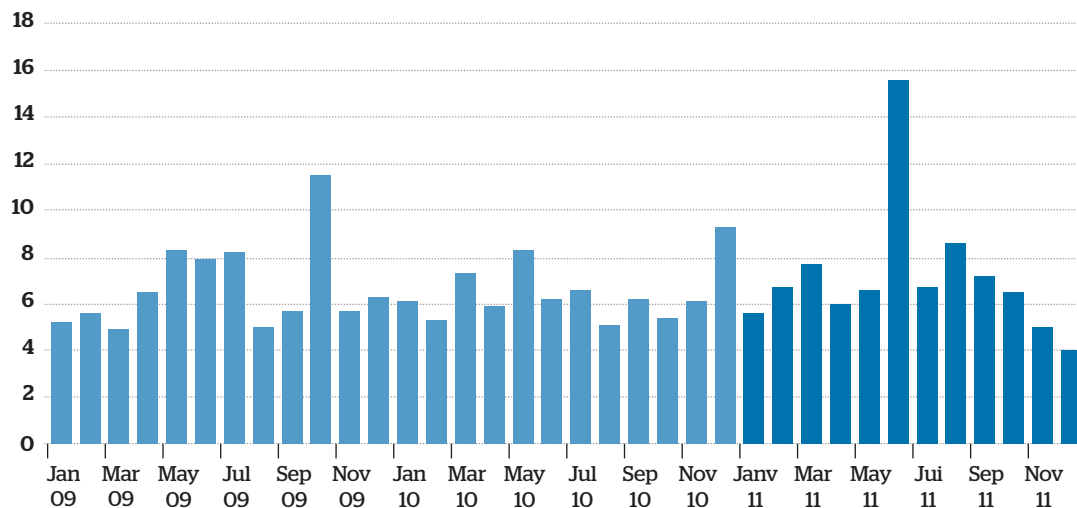
In 2011, the average daily number of shares traded reached 437 thousand on all electronic platform (of which 295 thousand on Euronext), compared to 528 thousand in 2010 (of which 297 thousand on Euronext).

#### Monthly trading volume (EUR million)



**D. Risks, governance and common stock**  
**D.7. Common stock evolution and performance**

**Monthly trading volume (million of share)**



**D.7.9.4 2011 and subsequent key trading dates**

On **1<sup>st</sup> February 2011**, Atos Origin and Siemens signed a final binding agreement to acquire Siemens IT Solutions and Services and to proceed with the global partnership announced by both companies on 15<sup>th</sup> December 2010. The conclusion of this agreement follows the issuance of the opinion by the European Works Council of Atos Origin on this transaction and the approval of the transaction by the Atos Origin Board of Directors. The transaction obtains clearance to proceed, from the European Commission and the the US anti-trust authorities respectively on **March 18<sup>th</sup> and 25<sup>th</sup> 2011**. The transaction is expected to close by July 2011, subject to the completion of the remaining condition precedents of the deal, among which the Atos Origin shareholders approval at an Extraordinary Shareholders Meeting.

On **16 February 2011**, Atos Origin announced its 2010 annual results. Thanks to the continued roll-out of the TOP Program, operating margin was EUR 337 million, representing +6.7 per cent of revenue compared to +5.7 per cent in 2009. The operating margin increased by +15 per cent in 2010. Revenue was EUR 5,021 million, representing a decline of -3.5 per cent. During the fourth quarter, revenue decline was limited to -1.2 per cent and excluding the impact of Arcandor, revenue was flat with a return to growth for the first time in the last two years in most of the geographies. Net Income stood at EUR 116 million, up +265 per cent compared to 2009.

On **11 April 2011**, Atos Origin announced it has signed a new five year multi-currency revolving credit facility for an amount of EUR 1.2 billion and that will mature in April 2016. The credit facility has been oversubscribed by an international syndicate of 12 banks showing the confidence of the market in the credit quality of Atos Origin. The credit facility will enable the Group to maintain its financial flexibility and extend the maturity of its financial resources.

On **10 May 2011**, Atos Origin reported revenue for the first quarter of 2011. The Group reported revenue of EUR 1,228 million, representing an organic decline of -1.3 per cent compared to the same period last year, at same scope and exchange rates. The Group announced being focused on margin improvement as 2011 represents the third year of the three year transformation plan TOP. The Group confirmed its objectives for 2011 as communicated on February 16<sup>th</sup> 2011.

On **1<sup>st</sup> July 2011**, Atos and Siemens announced that both companies have completed the transaction pursuant to which Atos has acquired Siemens IT Solutions and Services. Atos' shareholder approved the transaction as well as the change of company name from Atos Origin to Atos.

## D. Risks, governance and common stock

### D.7. Common stock evolution and performance

On **27 July 2011**, Atos announced its results for the first half of 2011. Thanks to the TOP transformation Program, which was in its third year, operating margin was EUR 166 million, representing 6.7 per cent of revenue compared to 6.0 per cent in the first half of 2010. The operating margin increased by +11 per cent in the first half of 2011. Revenue was EUR 2,476 million, representing -0.7 per cent. Net Income Group share stood at EUR 100 million, up +66 per cent compared to the first half of 2010. Further to the integration plan launched during the first half which is ahead of schedule, the Group increased its full year guidance to 6.2 per cent operating margin rate, confirmed the revenue range of EUR 6.8 to 6.9 billion and the guidance for the free cash flow representing an increase of 20% compared to the level reached in 2010, leading to around EUR 170 million.

On **6 October 2011**, Atos presented to the financial community its new profile following the SIS acquisition, during its Investor Day held in its headquarters in Bezons.

On **23 February 2012**, Atos announced its 2011 annual results. 2011 was the first year of the integration of Siemens IT Solutions and Services (SIS). Revenue, which includes 6 months revenue from SIS acquired on July 1<sup>st</sup>, 2011, was EUR 6,812 million, representing +0.3 percent organic growth compared to 2010 revenue at constant scope and exchange rates. Organic growth was +2.2 percent in the fourth quarter. Book-to-bill ratio was 103 percent in 2011 with a strong increase in the fourth quarter at 113 percent. Operating margin was EUR 422.4 million, representing 6.2 percent of revenue compared to 4.3 percent in 2010 at constant scope and exchange rates. The Group generated in 2011 EUR 194 million of free cash flow, leading to a net debt of EUR 142 million at the end of 2011. Net income Group share stood at EUR 182 million compared to EUR 116 million in 2010.

#### D.7.9.5 Share value for “ISF” purposes

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The closing share price on 30 December 2011 was EUR 33.91. The average closing share price over the last 30 stock market trading days of 2011 was EUR 33.99 compared to EUR 35.67 for the same period in 2010.

#### D.7.9.6 Purchase or sale by the group of its own shares

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The Group purchased or sold its own shares in 2011 as described within the section “D.7.8.6 Treasury stock and liquidity contract”. At 31 December 2011, the Group held 202,370 shares as treasury stock, but none related to the liquidity contract.

# E. APPENDIX

<b>E.1</b>	Definitions	294
<b>E.2</b>	AMF cross-reference table	300
<b>E.3</b>	Locations and contacts	312
<b>E.4</b>	Full index	316

## E.1 Definitions

Financial terms and Key Performance Indicators	Business Key Performance Indicators
<ul style="list-style-type: none"> <li>• Operational Capital Employed</li> <li>• Current and non-current</li> <li>• DSO</li> <li>• Net debt</li> <li>• Gross margin and indirect costs</li> <li>• Operating margin</li> <li>• EBITDA</li> <li>• Gearing</li> <li>• Interest cover ratio</li> <li>• Leverage ratio</li> <li>• Operating income</li> <li>• Normalized net income</li> <li>• ROCE (Return On Capital Employed)</li> <li>• EPS</li> <li>• Cash flow from operations</li> <li>• Free Cash Flow</li> <li>• Change in net debt</li> </ul>	<ul style="list-style-type: none"> <li>• External revenue</li> <li>• Organic growth</li> <li>• Book-to-bill</li> <li>• TCV (Total Contract Value)</li> <li>• Backlog/Order cover</li> <li>• Order entry/bookings</li> <li>• Pipeline</li> <li>• Legal staff</li> <li>• Full Time Equivalent (FTE)</li> <li>• Subcontractors</li> <li>• Interims</li> <li>• Direct staff</li> <li>• Indirect staff</li> <li>• Permanent staff</li> <li>• Temporary staff</li> <li>• Ratio S</li> <li>• Turnover</li> <li>• Attrition rate</li> <li>• Utilization rate and non-utilization rate</li> </ul>
Business terms	Market terms
<ul style="list-style-type: none"> <li>• BPO</li> <li>• CMM</li> <li>• CRM</li> <li>• ERP</li> <li>• LAN</li> <li>• MMS</li> <li>• SCM</li> <li>• TCO</li> <li>• TIC</li> <li>• WAN</li> <li>• SEPA</li> </ul>	<ul style="list-style-type: none"> <li>• Consensus</li> <li>• Dilutive instruments</li> <li>• Dividends</li> <li>• Enterprise Value (EV)</li> <li>• Free float</li> <li>• Free float capitalization</li> <li>• Market capitalization</li> <li>• PEG (Price Earnings Growth)</li> <li>• PER (Price Earnings Ratio)</li> <li>• Volatility</li> </ul>

## E.1.1

## Financial terms

**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 has classified as current assets and liabilities those that Atos expects to realize, 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.

**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.

**Net debt:** Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization 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).

**Gross margin and Indirect costs:** Gross margin is composed of revenue 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 realization of the revenue. The operating margin comprises gross margin less indirect costs.

**Operating margin:** Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and

rationalization 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.

**EBITDA:** (Earnings Before Interest, Tax, Depreciation and Amortization). For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization).

**OMDA** (Operating Margin before Depreciation and Amortization) 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-based compensation

**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.

**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.

**Normalized net income:** Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

## E. APPENDIX

### E.1. Definitions

**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.

**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). Normalized EPS is based on normalized net income.

**Cash flow from operations:** Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

**Free cash flow:** Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net material acquisitions / disposals (with a price exceeding 0.15% of Group revenue).

**Change in net debt (cash):** Change in net debt or net cash.

### E.1.2

### Business KPI's (Key Performance Indicators)

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#### Revenue

**External Revenue:** External Revenue related to Atos' sales to third parties (excluding VAT and pass-through sales with low margin).

**Organic growth:** Organic growth represents the % growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year having an impact inferior or equal to 0.3% of the Group total revenue.

**Book-to-bill:** A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

**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.

**Order entry/bookings:** The 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 recognized.

**Backlog/Order cover:** The value of signed contracts, orders and amendments that remain to be recognized 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.

#### Human Resources

**Legal staff:** The total number of employees under Atos 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 interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

**Subcontractors:** External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center 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 includes permanent staff and subcontractors, whose work is billable to a third party.

**Indirect staff:** Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is 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 has 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 indicate 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.

**Utilization rate and non-utilization rate:** Utilization rate + non-utilization 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).

Utilization 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-utilization 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

## E. APPENDIX

### E.1. Definitions

#### E.1.3

#### Business terms

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**LBPO** (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 organization on a scale of 1 to 5. CMMI, is the CMM Integration.

**CRM** (Customer Relationship Management): Managing customer relationships (after-sales service, purchasing advice, utilization 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 color images, generally sent to a mobile phone.

**TCO** (Total Cost of Ownership): Total cost of ownership is quantification of the financial impact of deploying an information technology product over its life cycle.

**SCM** (Supply Chain Management): A system designed to optimize 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.

**SEPA** (Single Euro Payments Area): Regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

## E.1.4

### Market terms

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**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.

**Enterprise Value (EV):** Market capitalization + debt.

**Free float:** Free float is the proportion of a Company'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 Article 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 capitalization:** The share price of a company multiplied by the number of free-float shares as defined above.

**Market capitalization:** The share price of a company multiplied by the number of its shares in issue.

**PER (Price Earnings Ratio):** Market capitalization 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.

**Volatility:** The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

## E. APPENDIX

### E.2. AMF cross-reference table

## E.2 AMF cross-reference table

### E.2.1 Cross reference table for the Reference Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on 5 April 2011, in accordance with article 212-13 of the AMF's general regulations. After filing, this document as a Reference

Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table below refers to the main articles of Commission Regulation (CE) n° 809-2004 implementing the Prospectus Directive.

Chapter	Information	Sections
<b>1.</b>	<b>PERSONS RESPONSIBLE</b>	
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	A.4.1
1.2.	A declaration by those responsible for the registration document 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 their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	A.4.2
<b>2.</b>	<b>STATUTORY AUDITORS</b>	
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	A.4.3
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
<b>3.</b>	<b>SELECTED FINANCIAL INFORMATION</b>	
3.1.	Selected historical financial information regarding the issuer, presented for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information. The selected historical financial information must provide the key figures that summarize the financial condition of the issuer.	A.5.1; A.5.2
3.2.	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.	N/A

Chapter	Information	Sections
<b>4.</b>	<b>RISKFACORS</b>	
	Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors".	D.1
<b>5.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>5.1.</b>	<b>History and development of the issuer</b>	
5.1.1.	the legal and commercial name of the issuer.	D.2.11
5.1.2.	the place of registration of the issuer and its registration number.	D.2.11
5.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite.	D.2.11
5.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office).	D.2.11
5.1.5.	the important events in the development of the issuer's business.	A.6.1
<b>5.2.</b>	<b>Investment</b>	
5.2.1.	A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	N/A
5.2.2.	A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	D.11.3
5.2.3.	Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.	D.11.3
<b>6.</b>	<b>BUSINESS OVERVIEW</b>	
<b>6.1.</b>	<b>Principal activities</b>	
6.1.1.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information; and	A.1;B.2.1;B.3.3
6.1.2.	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.	B.2.4;B.3.3
<b>6.2.</b>	<b>Principal markets</b>	
	A description of the principal markets in which the issuer competes, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information.	A.1;B.3.2;B.1.2
6.3.	Where the information given pursuant to items 6.1. and 6.2. has been influenced by exceptional factors, mention that fact	B.3.2;B.3.3
6.4.	If material to the issuer's business or profitability, a summary information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	B.3.2.6;B.3.2.8; D.11.2
6.5.	The basis for any statements made by the issuer regarding its competitive position.	B.1.2

## E. APPENDIX

### E.2. AMF cross-reference table

Chapter	Information	Sections
<b>7.</b>	<b>ORGANIZATIONAL STRUCTURE</b>	
71.	If the issuer is part of a group, a brief description of the group and the issuer's position within the group.	C.6.3
72.	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.	C.5 - Note 29
<b>8.</b>	<b>PROPERTY, PLANTS AND EQUIPMENT</b>	
81.	Information regarding any existing or planned material tangible fixed assets, including leased properties, and any major encumbrances thereon.	C.5 - Note 13
82.	A description of any environmental issues that may affect the issuer's utilization of the tangible fixed assets.	B.5.7
<b>9.</b>	<b>OPERATING AND FINANCIAL REVIEW</b>	
<b>9.1.</b>	<b>Financial Condition</b>	<b>C.2; C.3</b>
	To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.	
<b>9.2.</b>	<b>Operating Results</b>	
9.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.	C.2; C.3
9.2.2.	Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	C.2; C.3
9.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	C.2; C.3
<b>10.</b>	<b>CAPITAL RESOURCES</b>	
10.1.	Information concerning the issuer's capital resources (both short and long term).	C.3; D.7
10.2.	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	C.3.3
10.3.	Information on the borrowing requirements and funding structure of the issuer.	C.3.4
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	N/A
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2.3. and 8.1.	C.3.4
<b>11</b>	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES</b>	
	Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and development activities.	B.2.4.2

Chapter	Information	Sections
<b>12.</b>	<b>TREND INFORMATION</b>	
12.1.	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	B1; C.2
12.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	B1; C.2
<b>13.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	
	If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information set out in items 13.1 and 13.2.	N/A
13.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.	N/A
13.2.	A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.	N/A
13.3.	If The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
13.4.	If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.	N/A
<b>14.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>	
14.1.	<b>Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:</b>	
	a) members of the administrative, management or supervisory bodies.	A.6.2; D.2.1.3; D.3.11
	b) partners with unlimited liability, in the case of a limited partnership with a share capital.	N/A
	c) founders, if the issuer has been established for fewer than five years; and	N/A
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	A.6.2
	The nature of any family relationship between any of those persons.	D.2.1.3
	In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:	

## E. APPENDIX

### E.2. AMF cross-reference table

Chapter	Information	Sections
	(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies	A.6.2
	(b) any convictions in relation to fraudulent offences for at least the previous five years	N/A
	(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years	N/A
	(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years	N/A
	If there is no such information to be disclosed, a statement to that effect is to be made.	D.2.1.3
<b>14.2.</b>	<b>Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests</b>	
	Potential conflicts of interests between any duties to the issuer, of the persons referred to in item <b>14.1</b> , and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	D.2.1.3
	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item <b>14.1</b> was selected as a member of the administrative, management or supervisory bodies or member of senior management.	N/A
	Details of any restrictions agreed by the persons referred to in item <b>14.1</b> on the disposal within a certain period of time of their holdings in the issuer's securities.	N/A
<b>15.</b>	<b>REMUNERATION AND BENEFITS</b>	
	In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 14.1:	
15.1.	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.	D.4
	That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	
15.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.	D.4



Chapter	Information	Sections
<b>16.</b>	<b>BOARD PRACTICES</b>	
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 14.1.:	
16.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	D.2.1.3
16.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.	D.2.1.3
16.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	D.3.1
16.4.	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	D.3.1;D.4.5
<b>17.</b>	<b>EMPLOYEES</b>	
17.1.	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	C.2.6
17.2.	Shareholdings and stock options.	B.4.6
17.3.	With respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date. Description of any arrangements for involving the employees in the capital of the issuer.	D.4;D.7.1;D.7.2 B.4.6
<b>18.</b>	<b>MAJOR SHAREHOLDERS</b>	
18.1.	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.	D.7.1;D.7.2
18.2.	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.	D.7.8.4
18.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	D.7.1;D.7.2
18.4.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	D.7



Chapter	Information	Sections
	(e) accounting policies and explanatory notes	C.47
	The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.	C.31
<b>20.2.</b>	<b>Pro forma financial information</b>	
	In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported.	C.12
	This requirement will normally be satisfied by the inclusion of pro forma financial information.	C.12
	This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.	C.12
	Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	C.12
<b>20.3.</b>	<b>Financial statements</b>	
	If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.	C.4
<b>20.4.</b>	<b>Auditing of historical annual financial information</b>	
20.41.	A statement that the historical financial information has been audited.	C.41
	If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	C.31
20.42.	Indication of other information in the registration document which has been audited by the auditors.	N/A
20.43.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.	N/A
<b>20.5.</b>	<b>Age of latest financial information</b>	
20.51.	The last year of audited financial information may not be older than one of the following:	
	(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;	C.4
	(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	C.4
<b>20.6.</b>	<b>Interim and other financial information.</b>	
20.61.	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.	N/A

## E. APPENDIX

### E.2. AMF cross-reference table

Chapter	Information	Sections
20.6.2.	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.  The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.	N/A
<b>20.7.</b>	<b>Dividend Policy</b>  A description of the issuer's policy on dividend distributions and any restrictions thereon.	D.2.12;D.73
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	D.73
<b>20.8.</b>	<b>Legal and arbitration proceedings</b>  Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	D.14
<b>20.9.</b>	<b>Significant change in the issuer's financial or trading position</b>  A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	C.4.7
<b>21.</b>	<b>ADDITIONAL INFORMATION</b>	
<b>21.1.</b>	<b>Share Capital</b>  The following information as of the date of the most recent balance sheet included in the historical financial information:	
21.1.1.	The amount of issued capital, and for each class of share capital:  (a) the number of shares authorized;  (b) the number of shares issued and fully paid and issued but not fully paid;  (c) the par value per share, or that the shares have no par value; and  (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	D.7 D.7 D.7 D.7
21.1.2.	If there are shares not representing capital, state the number and main characteristics of such shares.	N/A
21.1.3.	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	D.7
21.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	D.7

Chapter	Information	Sections
21.15.	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	N/A
21.16.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	D.7
21.17.	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	D.7
<b>21.2.</b>	<b>Memorandum and Articles of Association</b>	
21.2.1.	A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.	D.2.1
21.2.2.	A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.	D.2
21.2.3.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	D.7
21.2.4.	A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.	D.2
21.2.5.	A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.	D.2
21.2.6.	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	D.2
21.2.7.	An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.	D.2
21.2.8.	A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.	N/A
<b>22.</b>	<b>MATERIAL CONTRACTS</b>	
	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.	B.3.2.6
	A summary of any other contract (not being a contract entered into in the ordinary course of business) 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.	N/A
<b>23.</b>	<b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b>	
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorized the contents of that part of the Registration Document.	N/A

## E. APPENDIX

### E.2. AMF cross-reference table

Chapter	Information	Sections
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	N/A
<b>24.</b>	<b>DOCUMENTS ON DISPLAY</b>	
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:	
	(a) the memorandum and articles of association of the issuer	D.2.11
	(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;	D.7
	(c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.	D.7
	An indication of where the documents on display may be inspected, by physical or electronic means.	D.7
<b>25.</b>	<b>INFORMATION ON HOLDINGS</b>	
	Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	C.4.7.3

## E.2.2 Cross reference table for Financial Report

The present reference document includes all the items of the financial report, in accordance with article L.451-1-2 of Monetary and Financial Code ("Code Monétaire et

Financier"), as required by article 222-3 of AMF's general regulations. The cross-reference table below refers to the main articles of the financial report:

Information	Sections
Company financial statements	C.6
Consolidated financial statements	C.4
Annual Report	B.2; C.2; D.1; D.2; D.4; D.5.2; D.5.3; D.5.4; D.7.3; D.7.8
Certificate of the Annual Financial Report responsible	A.4.2
Statutory auditors' report on financial statements year ended 31 December 2011	C.6.1
Statutory auditors' report on the financial statements for the year ended 31 December 2011	C.4.1
Statutory auditors fees	C.5 - note 30
Report of the Chairman of the Board of Directors on Corporate Governance and Internal Control	D.3.1
Statutory auditors' report, on the report prepared by the Chairman of the Board of Directors, in accordance with article L.225-235 of the French Commercial Code (Code de Commerce)	D.3.3

In accordance with the requirements of Article 28 of EC regulation n° 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 2010 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de référence") n° D11-0210 filed with the Autorité des Marchés Financiers (AMF) on 1<sup>st</sup> April 2011;

- the consolidated accounts for the year ended 31 December 2009 under IFRS, the related statutory auditors' reports and the Group management report presented within the registration document ("document de référence") n° D10-0199 filed with the Autorité des Marchés Financiers (AMF) on 1 April 2010;
- The chapters of the registration documents 2010 and 2009 not mentioned above either do not apply to investors or are covered in another part of the present registration document.

## E. Annexes

### E.3. Locations and contacts

## E.3 Locations and contacts

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Atos is present in main cities to support our customers. The address, phone and fax numbers of our main offices can be found on the Locations page on our website [www.atos.net](http://www.atos.net). Details of current job opportunities can be

found in our Careers pages. An email address for general questions and comments about our Internet site can be found at the bottom of the page.

### E.3.1 Headquarters

---

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---

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---

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---

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## E. Annexes

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## E.4 Full index

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<b>A. Group overview</b>	<b>3</b>
<b>A.1 Business profile</b>	<b>3</b>
<b>A.2 Revenue profil</b>	<b>5</b>
<b>A.2.1 Breakdown by Service Line</b>	5
<b>A.2.2 Breakdown by GBU</b>	5
<b>A.2.3 Breakdown by Market</b>	5
<b>A.3 CEO Message</b>	<b>6</b>
<b>A.4 Persons responsible</b>	<b>8</b>
<b>A.4.1 For the Reference Document</b>	8
<b>A.4.2 For the accuracy of the document</b>	8
<b>A.4.3 For the audit</b>	8
<b>A.5 Atos in 2011</b>	<b>9</b>
<b>A.5.1 Income statement</b>	9
<b>A.5.2 Key graphs</b>	10
<b>A.5.3 Key achievements</b>	12
<b>A.6 Group presentation</b>	<b>14</b>
<b>A.6.1 Formation of the Group</b>	14
<b>A.6.2 Management and organization</b>	15
<b>A.6.2.1 Group general management</b>	15
<b>A.6.2.2 Organization chart</b>	16
<b>A.6.2.3 The Executive Committee</b>	17
<b>A.7 Stock market overview</b>	<b>21</b>
<b>B. Atos positioning in the IT market</b>	<b>22</b>
<b>B.1 Overview</b>	<b>22</b>
<b>B.1.1 Market trends</b>	<b>22</b>
<b>B.1.1.1 Cloud Computing</b>	22
<b>B.1.1.2 Big data</b>	23
<b>B.1.1.3 Social Network Revolution</b>	24
<b>B.1.1.4 Mobile Computing &amp; Internet of Things</b>	25
<b>B.1.1.5 Overview on the remaining trends</b>	26
<b>B.1.2 Market sizing and competitive landscape</b>	<b>27</b>
<b>B.1.2.1 Overall market size</b>	27
<b>B.1.2.2 Competitive landscape and new expected position of Atos</b>	28
<b>B.1.2.3 Main competitors in Europe</b>	28
<b>B.1.2.4 Market size and Atos market share in Europe</b>	29
<b>B.1.2.5 Overall mid-term perspectives</b>	29
<b>B.1.3 Foundation IT evolution</b>	<b>30</b>
<b>B.1.3.1 Managed Services</b>	30

<b>B.1.3.2</b>	Systems Integration	31
<b>B.1.3.3</b>	Consulting & Technology Services	32
<b>B.1.4</b>	<b>Business Enabling IT evolution</b>	<b>33</b>
<b>B.1.4.1</b>	Payment	33
<b>B.1.4.2</b>	e-Services	35
<b>B.1.4.3</b>	Smart utilities	35
<b>B.1.4.4</b>	Civil & National Security	36
<b>B.1.4.5</b>	BPO	37
<b>B.2</b>	<b>Strategy, organization and objectives for 2012</b>	<b>38</b>
<b>B.2.1</b>	<b>Mission, vision and strategy</b>	<b>38</b>
<b>B.2.1.1</b>	Business Context	38
<b>B.2.1.2</b>	Atos' core strategy	39
<b>B.2.2</b>	<b>TOP<sup>2</sup> Program evolution</b>	<b>41</b>
<b>B.2.2.1</b>	Cost Optimization	41
<b>B.2.2.2</b>	Lean Management	42
<b>B.2.3</b>	<b>eXpand Program evolution</b>	<b>43</b>
<b>B.2.4</b>	<b>Innovation and portfolio</b>	<b>44</b>
<b>B.2.4.1</b>	Developing a global offer portfolio	44
<b>B.2.4.2</b>	Investing in innovation in the long run	45
<b>B.2.4.3</b>	The Scientific Community	45
<b>B.2.5</b>	<b>Quality</b>	<b>47</b>
<b>B.3</b>	<b>Sales and Delivery</b>	<b>48</b>
<b>B.3.1</b>	<b>Atos Sales and Business development approach</b>	<b>48</b>
<b>B.3.1.1</b>	Sales has been a key dimension of the integration of SIS	48
<b>B.3.1.2</b>	A new company set-up to support Sales	49
<b>B.3.1.3</b>	eXpand: Atos Sales Transformation program	50
<b>B.3.1.4</b>	Marketing approach	51
<b>B.3.2</b>	<b>Markets: description of context, achievement and ambition for the five identified verticals</b>	<b>52</b>
<b>B.3.2.1</b>	Manufacturing, Retail & Services	52
<b>B.3.2.2</b>	Public Sector, Healthcare & Transport	53
<b>B.3.2.3</b>	Financial Services	55
<b>B.3.2.4</b>	Telecom, Media & Technologies	56
<b>B.3.2.5</b>	Energy & Utilities	58
<b>B.3.2.6</b>	Siemens: our first customer	60
<b>B.3.2.7</b>	Strategic Sales Engagement	62
<b>B.3.2.8</b>	Atos Siemens alliance	63
<b>B.3.3</b>	<b>Delivery Lines</b>	<b>64</b>
<b>B.3.3.1</b>	Managed Services	64
<b>B.3.3.2</b>	Systems Integration	67
<b>B.3.3.3</b>	Hi-Tech Transactional Services & Specialized Businesses	72
<b>B.3.3.4</b>	Consulting & Technology Services	77
<b>B.4</b>	<b>Human Resources policy and talent development</b>	<b>79</b>
<b>B.4.1</b>	<b>Fundamentals</b>	<b>79</b>
<b>B.4.2</b>	<b>Talent attraction</b>	<b>79</b>
<b>B.4.2.1</b>	IT Challenge	80
<b>B.4.3</b>	<b>Talent Development</b>	<b>80</b>
<b>B.4.3.1</b>	The Juniors Group	80
<b>B.4.3.2</b>	GOLD	81
<b>B.4.3.3</b>	On-the-job experience	81
<b>B.4.3.4</b>	From knowledge to excellence	81
<b>B.4.4</b>	<b>Workforce Management</b>	<b>82</b>
<b>B.4.5</b>	<b>Talent reward and Retention</b>	<b>82</b>

## E. Annexes

### E.4. Full index

<b>B.4.6</b>	<b>Employee and management shareholding</b>	<b>83</b>
<b>B.4.7</b>	<b>International mobility</b>	<b>83</b>
<b>B.4.8</b>	<b>Pensions</b>	<b>84</b>
<b>B.4.9</b>	<b>Performance management and Human Resources Annual Review</b>	<b>84</b>
<b>B.4.10</b>	<b>Communicating with representatives</b>	<b>84</b>
<b>B.5</b>	<b>Corporate and Social Responsibility</b>	<b>85</b>
<b>B.5.1</b>	<b>IT Sector - opportunities and challenges</b>	<b>85</b>
<b>B.5.1.1</b>	2011 Trends	85
<b>B.5.1.2</b>	Smart Cities - From techie dream to sustainable reality	85
<b>B.5.1.3</b>	Cloud Computing: a new way of operating	86
<b>B.5.1.4</b>	From Social Computing to Social Business	86
<b>B.5.2</b>	<b>Vision &amp; Strategy</b>	<b>86</b>
<b>B.5.2.1</b>	Leadership in IT for Sustainability	86
<b>B.5.2.2</b>	Strengthening stakeholders' dialogue	87
<b>B.5.3</b>	<b>Mission and Commitments</b>	<b>88</b>
<b>B.5.4</b>	<b>Achievements of 2011</b>	<b>90</b>
<b>B.5.5</b>	<b>Building a great place to work</b>	<b>91</b>
<b>B.5.5.1</b>	Our values and identity	91
<b>B.5.5.2</b>	Creating a great place to work	92
<b>B.5.5.3</b>	Zero email challenge	92
<b>B.5.6</b>	<b>Responsible Citizenship</b>	<b>93</b>
<b>B.5.7</b>	<b>Continuing the Group's Green transformation - Improving our environmental performance</b>	<b>94</b>
<b>B.5.7.1</b>	Our zero carbon ambition: a plan in action	94
<b>B.5.7.2</b>	The first global IT company to offer carbon neutral data centers	95
<b>B.5.7.3</b>	Renewable energy sourcing worldwide	95
<b>B.5.7.4</b>	Deploying green policies to reduce the impact of our activities	96
<b>B.5.7.5</b>	Environmental certification roll-out	97
<b>B.5.8</b>	<b>Powering progress to transform to the firm of the future - sustainable growth</b>	<b>97</b>
<b>B.5.8.1</b>	Accompanying our clients' sustainable transformation	98
<b>B.5.8.2</b>	Intelligent sustainability - sustainability dashboards - delivering transparent and critical management data	98
<b>B.5.8.3</b>	Ambition carbon free	98
<b>B.5.8.4</b>	Smart energy management	98
<b>B.5.9</b>	<b>Operating in compliance with sustainable best practices and international standards 1</b>	<b>99</b>

## **C. Financials** **100**

<b>C.1</b>	<b>Pro forma</b>	<b>100</b>
<b>C.1.1</b>	2011 statutory comparative basis	100
<b>C.1.2</b>	Pro forma 12 months 2011	100
<b>C.2</b>	<b>Operational review</b>	<b>101</b>
<b>C.2.1</b>	<b>Executive Summary</b>	<b>101</b>
<b>C.2.2</b>	<b>Operating performance review</b>	<b>101</b>
<b>C.2.3</b>	<b>Revenue</b>	<b>102</b>
<b>C.2.3.1</b>	Organic growth	102
<b>C.2.3.2</b>	Exchange rate and scope effect	103
<b>C.2.3.3</b>	Revenue per quarter evolution	104
<b>C.2.3.4</b>	Revenue by GBU analysis	104
<b>C.2.3.5</b>	Revenue by Service Line analysis	107
<b>C.2.3.6</b>	Revenue by market	110
<b>C.2.4</b>	<b>Portfolio</b>	<b>112</b>

<b>C.2.4.1</b>	Order entry and book to bill	121
<b>C.2.4.2</b>	Full backlog	113
<b>C.2.4.3</b>	Full qualified pipeline	114
<b>C.2.5</b>	<b>Operating margin performance</b>	<b>114</b>
<b>C.2.5.1</b>	From statutory to constant scope	116
<b>C.2.5.2</b>	Operating margin by GBU	117
<b>C.2.5.3</b>	Operating margin by Service Line	120
<b>C.2.5.4</b>	Cost base evolution	121
<b>C.2.6</b>	<b>Workforce management</b>	<b>122</b>
<b>C.2.6.1</b>	Headcount evolution	122
<b>C.2.6.2</b>	Headcount by Business Units and Service Line	123
<b>C.2.6.3</b>	External Subcontractors	123
<b>C.2.7</b>	<b>2012 objectives</b>	<b>124</b>
<b>C.3</b>	<b>Financial review</b>	<b>125</b>
<b>C.3.1</b>	<b>Income Statement</b>	<b>125</b>
<b>C.3.1.1</b>	Operating margin	125
<b>C.3.1.2</b>	Other operating income and expenses	125
<b>C.3.1.3</b>	Net financial expenses	127
<b>C.3.1.4</b>	Corporate tax	127
<b>C.3.1.5</b>	Non-controlling interests	127
<b>C.3.1.6</b>	Normalized net income	127
<b>C.3.2</b>	<b>Earnings per share</b>	<b>128</b>
<b>C.3.3</b>	<b>Cash flow</b>	<b>129</b>
<b>C.3.4</b>	<b>Financing policy</b>	<b>132</b>
<b>C.3.4.1</b>	Financing structure	132
<b>C.3.4.2</b>	Bank covenants	133
<b>C.3.4.3</b>	Investment policy	133
<b>C.3.4.4</b>	Hedging policy	133
<b>C.4</b>	<b>Consolidated financial statements</b>	<b>134</b>
<b>C.4.1</b>	<b>Statutory Auditors report on the consolidated financial statements for the year ended 31 December 2012</b>	<b>134</b>
<b>C.4.2</b>	<b>Consolidated Income Statement</b>	<b>136</b>
<b>C.4.3</b>	<b>Consolidated statement of comprehensive income</b>	<b>137</b>
<b>C.4.4</b>	<b>Consolidated statement of financial position</b>	<b>137</b>
<b>C.4.5</b>	<b>Consolidated cash flow statement</b>	<b>139</b>
<b>C.4.6</b>	<b>Consolidated statement of changes in shareholders' equity</b>	<b>141</b>
<b>C.4.7</b>	<b>Notes to the consolidated financial statements</b>	<b>142</b>
<b>C.4.7.1</b>	General information	142
<b>C.4.7.2</b>	2011 highlights	142
<b>C.4.7.3</b>	Basis of preparation and significant accounting policies	142
<b>C.4.7.4</b>	Financial risk management	152
<b>C.5</b>	<b>Notes to the consolidated financial statements</b>	<b>153</b>
<b>C.6</b>	<b>Parent company summary financial statements</b>	<b>201</b>
<b>C.6.1</b>	<b>Statutory Auditors' report on the financial statements for the Year ended 31 December 2011</b>	<b>201</b>
<b>C.6.2</b>	<b>Statutory auditor's special report on regulated agreements Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2011</b>	<b>202</b>
<b>C.6.3</b>	<b>Parent company's simplified organization chart</b>	<b>203</b>
<b>C.6.4</b>	<b>Statutory financial statements</b>	<b>204</b>
<b>C.6.4.1</b>	Balance sheet	204

<b>C.6.4.2</b>	Income statement	205
<b>C.6.5</b>	<b>Notes to the Atos SA statutory financial statements</b>	<b>205</b>
<b>C.6.5.1</b>	Notes on Liabilities and Shareholders' equity	213
<b>C.6.5.2</b>	Notes on the Income Statement	217
<b>D</b>	<b>Risks, governance and common stock</b>	<b>223</b>
<b>D.1</b>	<b>Risk analysis</b>	<b>223</b>
<b>D.1.1</b>	<b>Business risks</b>	<b>223</b>
<b>D.1.1.1</b>	The market	223
<b>D.1.1.2</b>	Clients	223
<b>D.1.1.3</b>	Suppliers	223
<b>D.1.1.4</b>	Partnerships and subcontractors	224
<b>D.1.1.5</b>	Acquisition / External growth risk	224
<b>D.1.1.6</b>	Risks related to contracts / projects' execution	224
<b>D.1.1.7</b>	Technology and IT risks	225
<b>D.1.1.8</b>	Regulation risks	225
<b>D.1.1.9</b>	Counterparty risk	226
<b>D.1.1.10</b>	Reputation risks	226
<b>D.1.1.11</b>	Human Resources	226
<b>D.1.1.12</b>	Legal risks	227
<b>D.1.1.13</b>	Business risk assessment and management	227
<b>D.1.2</b>	<b>Financial markets risks</b>	<b>228</b>
<b>D.1.3</b>	<b>Insurance</b>	<b>229</b>
<b>D.1.4</b>	<b>Claims and litigation</b>	<b>230</b>
<b>D.1.4.1</b>	Tax and Social Contribution claims	230
<b>D.1.4.2</b>	Commercial claims	230
<b>D.1.4.3</b>	Labour claims	231
<b>D.1.4.4</b>	Representation & Warranty claims	231
<b>D.1.4.5</b>	Miscellaneous	231
<b>D.1.5</b>	<b>Country risks</b>	<b>231</b>
<b>D.2</b>	<b>Corporate Governance</b>	<b>232</b>
<b>D.2.1</b>	<b>Legal Information</b>	<b>232</b>
<b>D.2.1.1</b>	Corporate form and purpose	232
<b>D.2.1.2</b>	Provision of the articles of association	232
<b>D.2.1.3</b>	Board of Directors	235
<b>D.3</b>	<b>Report of chairman of the Board of Directors on Corporate Governance and Internal Control</b>	<b>240</b>
<b>D.3.1</b>	<b>Corporate Governance</b>	<b>240</b>
<b>D.3.1.1</b>	The Board of Directors: composition and functioning	241
<b>D.3.1.2</b>	Definition of an "independent member" of the Board of Directors	243
<b>D.3.1.3</b>	Meetings of the Board of Directors	243
<b>D.3.1.4</b>	The Audit Committee	244
<b>D.3.1.5</b>	The Nomination and Remuneration Committee	245
<b>D.3.1.6</b>	Assessment of the work of the Board of Directors	246
<b>D.3.2</b>	<b>Internal control</b>	<b>247</b>
<b>D.3.2.1</b>	Internal control definition and objectives	247
<b>D.3.2.2</b>	Components of the internal control system	248
<b>D.3.2.3</b>	Systems related to accounting and financial information	251
<b>D.3.2.4</b>	Internal control system players	253
<b>D.3.2.5</b>	Outlook and related new procedures to be implemented	254



<b>D.3.3</b>	<b>Statutory Auditors' report prepared in accordance with article L.225-235 of French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Board of Directors of Atos</b>	<b>255</b>
<b>D.4</b>	<b>Executive compensation and stock ownership</b>	<b>256</b>
<b>D.4.1</b>	<b>Directors' fees</b>	<b>256</b>
<b>D.4.2</b>	<b>Executive compensation</b>	<b>257</b>
<b>D.4.3</b>	<b>Option plans for stock subscription and free shares plans</b>	<b>259</b>
<b>D.4.3.1</b>	Terms and conditions for the performance free share plan decided on 22 December 2011 for the year 2012 of which the Chairman and CEO is one of the beneficiaries.	260
<b>D.4.3.2</b>	Free grant of performance shares on 22 December 2011 to the Chairman and CEO	261
<b>D.4.3.3</b>	Reminder of stock option plans dated 23 December 2008	261
<b>D.4.4</b>	<b>Fringe benefits of the Executive Director</b>	<b>264</b>
<b>D.4.5</b>	<b>Compliance of the executive Director compensation with AFEP/MEDEF recommendations</b>	<b>264</b>
<b>D.5</b>	<b>Resolutions</b>	<b>268</b>
<b>D.5.1</b>	<b>Proposed resolutions to the AGM</b>	<b>268</b>
<b>D.5.2</b>	<b>Board of Directors reports to the Art. L 225-184 (French Commercial Code)</b>	<b>268</b>
<b>D.5.3</b>	<b>Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company</b>	<b>268</b>
<b>D.5.4</b>	<b>Board of Directors reports to the AGM pursuant to Art. L 225-197-4 (French Commercial Code)</b>	<b>269</b>
<b>D.6</b>	<b>Code and charts</b>	<b>270</b>
<b>D.6.1</b>	<b>United Nations Global Compact</b>	<b>270</b>
<b>D.6.2</b>	<b>Code of Ethics</b>	<b>270</b>
<b>D.6.2.1</b>	No Bribery or Corruption	270
<b>D.6.2.2</b>	Fair competition	270
<b>D.6.2.3</b>	Conflicts of Interest	271
<b>D.6.2.4</b>	Protection of Atos Origin assets - Fraud	271
<b>D.6.2.5</b>	Protection of confidentiality and privileged information	271
<b>D.6.3</b>	<b>Other applicable provisions</b>	<b>271</b>
<b>D.6.4</b>	<b>Privileged Information and insider trading</b>	<b>271</b>
<b>D.6.5</b>	<b>Internal rules and charter of Board of Directors</b>	<b>272</b>
<b>D.7</b>	<b>Common stock evolution and performance</b>	<b>274</b>
<b>D.7.1</b>	<b>Basic data</b>	<b>274</b>
<b>D.7.1.1</b>	Information on stock	274
<b>D.7.1.2</b>	Free Float	275
<b>D.7.2</b>	<b>Stock ownership</b>	<b>276</b>
<b>D.7.3</b>	<b>Dividend policy</b>	<b>276</b>
<b>D.7.4</b>	<b>Shareholder Documentation</b>	<b>277</b>
<b>D.7.5</b>	<b>Financial calendar</b>	<b>277</b>
<b>D.7.6</b>	<b>Contacts</b>	<b>277</b>
<b>D.7.7</b>	<b>Update of Document issued</b>	<b>277</b>
<b>D.7.8</b>	<b>Common stock</b>	<b>281</b>
<b>D.7.8.1</b>	At 31 December 2011	281
<b>D.7.8.2</b>	Over last five years	282
<b>D.7.8.3</b>	Disclosure of interests	282
<b>D.7.8.4</b>	Voting rights	283
<b>D.7.8.5</b>	Shareholders agreements	283
<b>D.7.8.6</b>	Treasury stock and liquidity contract	283
<b>D.7.8.7</b>	Potential common stock (stock option and convertible bond)	285
<b>D.7.9</b>	<b>Share trading performance</b>	<b>290</b>
<b>D.7.9.1</b>	Key figures	290

## E. Annexes

### E.4. Full index

<b>D.7.9.2</b>	Market capitalization	290
<b>D.7.9.3</b>	Traded volumes	290
<b>D.7.9.4</b>	2011 and subsequent key trading dates	292
<b>D.7.9.5</b>	Share value for "ISF" purposes	293
<b>D.7.9.6</b>	Purchase or sale by the group of its own shares	293
<b>E</b>	<b>Appendix</b>	<b>294</b>
<b>E.1</b>	<b>Definitions</b>	<b>294</b>
<b>E.1.1.1</b>	Financial terms	295
<b>E.1.1.2</b>	Business KPIs (Key Performance Indicators)	296
<b>E.1.1.3</b>	Business terms	298
<b>E.1.1.4</b>	Market terms	299
<b>E.2</b>	<b>AMF cross-reference table</b>	<b>300</b>
<b>E.2.1</b>	Cross reference table for the Reference Document	300
<b>E.2.2</b>	Cross reference table for Financial Report	311
<b>E.3</b>	<b>Locations and contacts</b>	<b>312</b>
<b>E.3.1</b>	Headquarters	312
<b>E.3.2</b>	Corporate Functions	312
<b>E.3.3</b>	Global organization	313
<b>E.3.4</b>	Implantations	313
<b>E.4</b>	<b>Full index</b>	<b>316</b>



