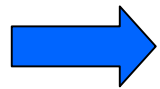




H1 2005 results  
September 7, 2005



# Agenda



- **GROUP ACHIEVEMENTS**
- **H1 2005 BUSINESS PERFORMANCE**
- **H1 2005 FINANCIAL PERFORMANCE**
- **STRATEGY – BUSINESS DEVELOPMENT**
- **2005 OUTLOOK**
- **SUMMARY**



## Financial highlights of H1 2005

- ✓ H1 2005 financial statements reported under IFRS
- ✓ Revenue slightly better than our expectations at €2,725 M with organic growth at 8.1%
- ✓ Improved operating profit which increased by 18%, and 6.7% margin rate
- ✓ Net income Group share at € 121 M (4.5% margin)
- ✓ Accretion of EPS by 313% from €0.44 to €1.81
- ✓ Net debt fell to €363 M at the end of June
- ✓ Disposal of Nordic business : more than 80% of the disposal program already achieved
- ✓ New credit facility of € 1.2 Bn with more flexible terms and conditions
- ✓ Philips share stake sold in July



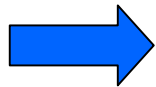
## Business highlights of H1 2005

- ✓ Encouraging inflow of orders with a book-to-bill ratio of 139%
- ✓ Critical contract renewals (Department for Work and Pensions,...)
- ✓ New contract signings (Renault, LCH-Clearnet,...)
- ✓ Partnership expansion with Atos Euronext Market Solutions
- ✓ Extension of Olympic contract until 2012
- ✓ Extension of partnership with Philips until 2008



# Agenda

- **GROUP ACHIEVEMENTS**



- **H1 2005 BUSINESS PERFORMANCE**

- **H1 2005 FINANCIAL PERFORMANCE**

- **STRATEGY – BUSINESS DEVELOPMENT**

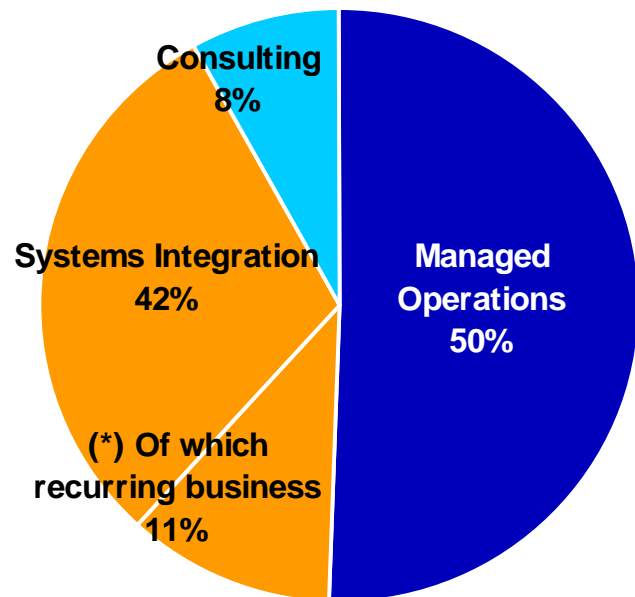
- **2005 OUTLOOK**

- **SUMMARY**



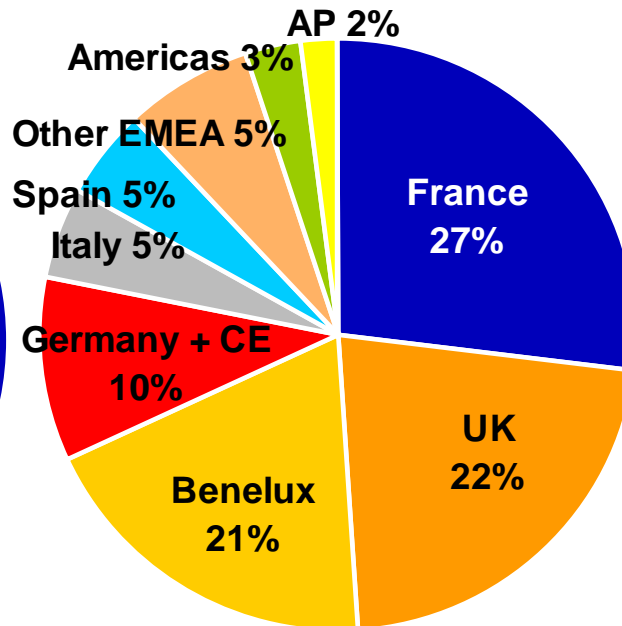
# Group Profile

## Business mix

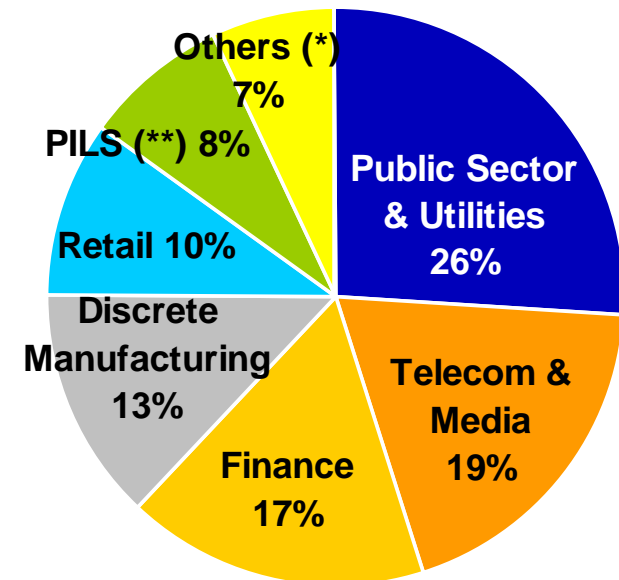


(\*) Application Management

## Geography



## Industry



(\*) Including Transport

(\*\*) Process Industry & Life Sciences

**H1 2005 Revenue: €2,725M**



## An outstanding client base

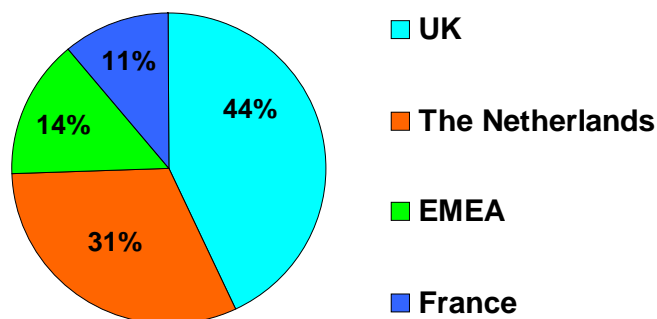
- ✓ Top 30 accounts represent 52% of Group revenues, delivering 20% growth
- ✓ Top 100 accounts represent nearly 70% of Group revenues
- ✓ Backlog end of June 2005 : € 7.6 Bn, representing 1.4 years' revenues
- ✓ Pipeline end of June 2005 : € 2.0 Bn, representing 0.4 years' revenues
- ✓ Book to bill ratio H1 2005 : 139%
  - Consulting & Systems Integration 131%
  - Managed Operations (ex BPO) 100%
  - BPO (ie DWP) 605%



## Strong revenue growth and profitability

In €Millions	H1 2005	H1 2004	% Change	% Organic
Revenue	227	201	+12.6%	+13.6%
Operating margin	33.9	13.0	+161%	+162%
Operating margin rate	14.9%	6.4%	+8.5 pt	+8.5 pt
Headcount at closing (Jun/Dec)	2,616	2,138	+22%	

Operating margin before allocation of Group structures' costs



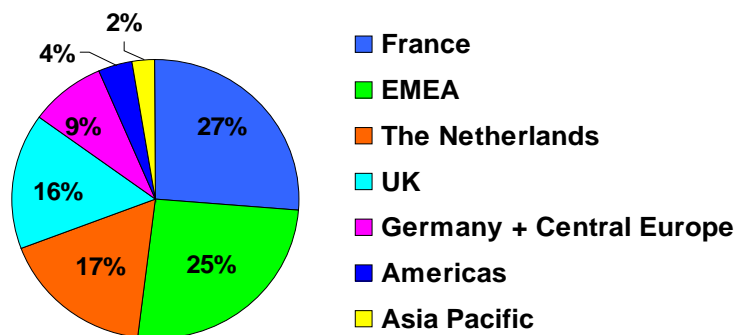
- Consulting leading the market recovery
- Consulting now fully integrated with delivery operations and driving growth in Systems Integration and Managed Operations
- Consulting driving operational performance improvement for both commercial and public sector clients
- Focus on the development and design of business and IT strategies and the transformational re-engineering of business processes
- Organic revenue increase of 13.6% benefiting from volume and pricing, and bonus awards on projects
- Steady improvement of margin rate from H1 2004 to reach 14.9% in H1 2005
- Utilization rate of 75% at the end of June 2005
- Significant recruitment with +22% net increase of staff



## Strong recovery of business

In €Millions	H1 FY05	H1 FY04	% change	% Organic
Revenue	1,134	1,067	+6.3%	+8.5%
Operating margin	65.7	65.1	+1%	-0%
Operating margin rate	5.8%	6.1%	-0.3 pts	-0.4 pts
Headcount at closing (Jun/Dec)	22,739	22,800	-	

Operating margin before allocation of Group structures' costs



- Confirmation of the positive trend seen in H2 2004
- Providing resources to help clients integrate IT effectively and reduce the total cost of IT ownership
- Providing key competencies in ERP, SCM, BI, CRM, web services, open source architectures and voice/data convergence
- Working with clients to rationalize their application portfolios, partly through global sourcing
- Organic revenue increase of 8.5% due to volumes, prices remaining broadly stable
- Strong book to bill ratio mainly from Application Management (representing 27% of the business)
- Limited decrease of margin rate due to prudent accounting policies on the transition and start-up of new contracts as part of our careful risk management program
- Utilization rate remains high at 81% at end June 2005



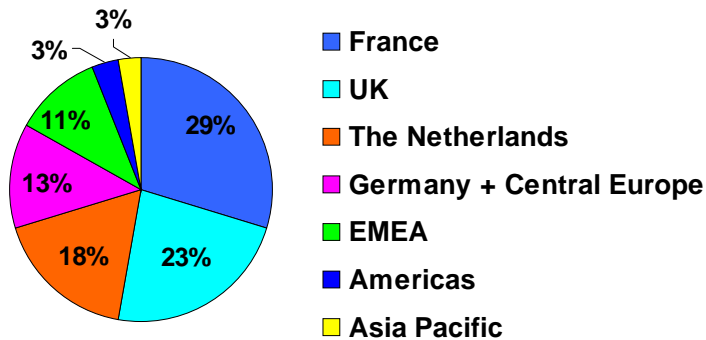
# Managed Operations

## Growth opportunities, especially in Europe

In €Millions	H1 FY05	H1 FY04	% change	% Organic
Revenue	1,364	1,354	+0.8%	+7.0%
Operating margin	113.6	122.4	-7%	+2%
Operating margin rate	8.3%	9.0%	-0.7 pts	-0.4 pt
Headcount at closing (Jun/Dec)	20,704	21,447	-3%	

- European market for outsourcing developing rapidly
- Increase in the volume of mid-size contracts, which plays to Atos Origin strengths
- Strong presence in a number of specialist markets (AEMS, Atos Worldline, Healthcare BPO)

Operating margin before allocation of Group structures' costs



- Organic growth of 7.0% coming from steady inflow of orders accumulated during the past year
- Short-term decrease in margin rate due to new contract wins and renewals, and disposal of US BPO last year
- Focus on rationalization of capacity and utilization of global delivery platform



## Performance by Service Line

**Corporate costs reduced to nearly 1% of Group revenues**

In €Millions	Revenue			Operating margin		Employees
	H1 2005	H1 2004 (*)	% Organic	H1 2005	H1 2004 (*)	End of June 2005
Consulting	227	200	+13.6%	14.9%	6.5%	2,616
Systems Integration	1,134	1,046	+8.5%	5.8%	6.3%	22,739
Managed Operations	1,364	1,275	+7.0%	8.3%	8.7%	20,704
Corporate				-1.1%	-1.4%	195
Disposals & Exchange rates		102			0.2%	
<b>Total Group</b>	<b>2,725</b>	<b>2,622</b>	<b>+8.1%</b>	<b>6.7%</b>	<b>6.3%</b>	<b>46,254</b>

Corporate costs shown as a % of total revenue

(\*) Organic : at constant scope and exchange rates



# Performance by Geography

## Good profitability in all main geographies

In € Millions	Revenue			Operating margin		Employees
	H1 2005	H1 2004 (*)	% Organic	H1 2005	H1 2004 (*)	End of June 2005
France	731	693	+5.6%	7.7%	7.5%	13,102
United Kingdom	588	595	-1.3%	8.3%	8.0%	6,680
The Netherlands	508	476	+6.8%	11.7%	12.6%	8,472
Germany + Central Europe	273	141	+94.2%	5.6%	0.4%	3,638
Rest of EMEA	467	467	+0.0%	5.7%	5.1%	9,304
Americas	93	90	+2.5%	0.7%	-2.8%	2,597
Asia Pacific	65	58	+11.9%	8.6%	13.1%	2,266
Corporate				-1.1%	-1.4%	195
Disposals & Exchange rates		102			0.2%	
<b>Total Group</b>	<b>2,725</b>	<b>2,622</b>	<b>+8.1%</b>	<b>6.7%</b>	<b>6.3%</b>	<b>46,254</b>

Corporate costs shown as a % of total revenue

(\*) Organic : at constant scope and exchange rates



## Major wins in H1 2005

France	SNC, Barclays Bank, Renault, ANPE, PSA Peugeot, Citroën, Colas, AG2R-ISICA Fund, Bouygues Telecom, Total
United Kingdom	Transport Direct, United Biscuits, Central Trains, Lewisham Council, Britannic, Network Rail
The Netherlands, Belgium & Nordic	Energidataföreningen, Vitens, Akzo Nobel, BelgianSME, Be TV, Efteling, Bluegarden, Philips
Germany & Central Europe	PolymerLatex, T-Mobile Austria, Deutsche BP, Karstadt Warenhaus, Volkswagen Bank, Premiere
Italy, Spain & Rest of EMEA	Peletonica Moviles, Banco Sabadell, Vodafone Spain, Kingdom of Morocco, Correo Gallego, Piaggio, Spanish Official State Journal, Telecom Italia, Tehran-Dubai-Oman Stock Exchanges
Americas	BANSEFI, DIFX, Montreal Stock Exchange
Asia-Pacific	Silo Pec Silhuen Factory



# Case studies

## Case studies

## Business challenges

- |                       |                                                                                                                  |
|-----------------------|------------------------------------------------------------------------------------------------------------------|
| ✓ Renault             | Transform IT management practice and rationalize Systems Integration providers                                   |
| ✓ LCH-Clearnet        | Integrate UK and Continental Europe Clearing market model following LCH and Clearnet merger                      |
| ✓ Bouygues Telecom    | Simplify the management of providers, improve and control IT processes                                           |
| ✓ Total               | Support the merger of the 3 cics (Total, Fina & Elf) through the implementation of an unified information system |
| ✓ DWP                 | Successful renewal following competitive tender                                                                  |
| ✓ Britannic           | More value required from current IT spend and rationalize IT providers (to one preferred partner)                |
| ✓ Network Rail        | IT services to improve train performance                                                                         |
| ✓ Philips             | Extension of the IT partnership agreement until the end of 2008                                                  |
| ✓ Deutsche BP         | Flexibility of services and solutions to support enterprise business needs and strategies                        |
| ✓ Premiere            | Strategic partner for IT, especially for core CRM environment (ability to develop a new platform)                |
| ✓ Telecom Italia      | Help Telecom Italia Group to guarantee growth with innovation, development and efficiency                        |
| ✓ Region of Sicilia   | Realization of the PTI and constitution of a shared company (SESI)                                               |
| ✓ Mundivia            | Mundivía will bring a new strategic partnership (Endesa) in the Spanish energy sector                            |
| ✓ Tehran Stock Exchge | Play a regional role by attracting other investors                                                               |
| ✓ IOC                 | Require a trusted Information technology systems integrator for the world's most highly visible event            |



# Preferred Application Management Partner for Renault worldwide



## RENAULT



**Renault** is the 1st car brand in Europe:

- € 40.7 Bn turnover
- 2.5 millions cars produced
- Market share worldwide: 4.1%

Together with Nissan, Renault belongs to the Top 5 of car manufacturers worldwide, with 5.7 millions cars produced.

### Business Challenges

- Transform IT management practice and reduce costs at the same time
- Support Renault's international development
- Rationalize Systems Integration providers
- Build on operational excellence to facilitate innovation and IT – Business alignment

### Solutions

- Setup progressively a global delivery organization of 1,100+ people based on:
  - Industrial processes and tools
  - Atos Origin's global sourcing capability worldwide
- Enterprise Architecture, Atos Origin's strategic approach to optimize the application portfolio
- Reduction of the application management costs to fund new projects required by the business

### Commitments

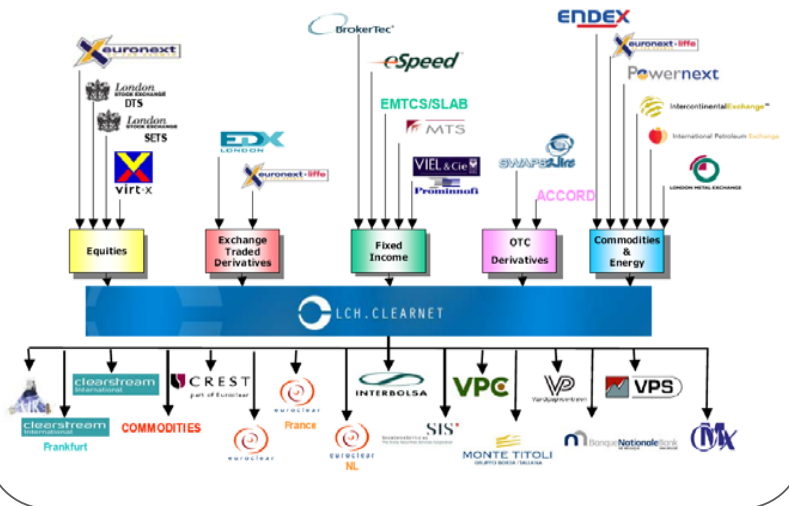
- Budget control and cost reduction plan over 5 years
- Target: from 2,000 + applications to 500
- CMMI3 certification of all System Integration activities in 2006



# Atos Origin and LCH-Clearnet enter into a Global Outsourcing Model



*LCH.Clearnet is the leading independent central counterparty (CCP) group in Europe, serving major international exchanges and platforms, equity, exchange-traded derivatives, energy, interbank interest rate swaps markets and the majority of the Euro-denominated and sterling bond markets.*



## Business Challenges

- Integrate UK and Continental Europe Clearing market model following LCH and Clearnet merger
- Harmonize the business processes
- Enable LCH.Clearnet to decrease its customer fees by reducing IT costs

## Solution

- Assist LCH.Clearnet to deploy Clearing21® more widely
- Commit to a high level of service (SLA) for improving the quality of Operations and the resilience
- Build a long-term partnership based on a 10 year contract

## The Results

- First stage of the New Framework Agreement signed last December
- Service Improvement Program launched in November



# Bouygues Telecom Infrastructure outsourcing



**Bouygues Telecom**



*With a total customer base of 7.5 million, including 1 million i-mode, **Bouygues Telecom** is pursuing its ambition of becoming the “preferred brand of mobile services” in France.*

*2004 turnover = 3,600 million euros*

*Employees = 7,400*

## Business Challenges

- Simplify the management of providers
- Improve and control IT processes
- Reduce costs
- Increase flexibility

## Solutions

- A five-year contract
- A complete scope, including 10 000 PCs and 450 servers located in 24 sites in France
- A complete service, including helpdesk, on site support, server management, physical management of equipment, license management
- A fully dedicated Atos Origin team, localized in the customer premises

## Benefits

- IT processes fully controlled and documented in conformity with ITIL standards
- Flexible costs based on pricing units and performance indicators



*The downstream branch of **TOTAL** includes all the refineries (12 in Europe business), the retail (16,000 services stations), business energy (air, sea), lubricants. It is number 1 in Europe, 2nd in Africa and 5th in the world.*

## Business Challenges

- Support the merger of the 3 companies (Total, Fina & Elf) through the implementation of an unified information system, for the downstream branch
- Improve logistic, sales and accounting functions via a fully integrated front-back office system
- Implement Best Business Practice in the whole value chain, from refinery to retailing
- Reduce application management costs

## Solutions

- Design & Build , Implement, Roll out & Support, in co-Partnership with Accenture (50-50)
- Full Integration of SAP business suite, EAI, BI, CRM
- Interface with proprietary and specific SI
- Change management with DSIN team

## Benefits

- Total is the top performing Oil & Gas, Utility & Chemicals company and view its information systems as a strategic tool to advance in the market place
- Details on solutions and specific benefits are therefore confidential



**DWP** Department for  
Work and Pensions



The client has the largest spending budget within UK Government - £112bn. Its purpose, as defined in its Five Year Strategy, is to get people into work and improve the functioning of the employment market, whilst supporting those who cannot work by paying benefits. Atos Origin is directly responsible for delivering 660,000 face- to-face medical exams and 2 million items of work per annum, from over 100 locations.

# Business Process Outsourcing UK Dept for Work and Pensions

## The Win

- Successful renewal following competitive tender
- Initial 7 year contract awarded (with extension options up to 5 further years)

## Our Solution – faster, better, value for money

- Year on year service improvement in turnaround times for key benefits
- Re-engineer the processes and service model
- Increase medical capacity through improved conditions for doctors and recruiting other healthcare professionals
- Technology enablement of the end-to-end process, using business-to-business systems to improve efficiency, remove paperwork and reduce costs
- Roll-out own bespoke IT application to support 1,500+ medical personnel, both in examination centres and customer's homes
- Investment in accommodation and contact centre technology to improve customer experience
- Benefits to the DWP, through improved value for money, improved quality of medical advice and reduced processing time



# Britannic 10 Year Outsourcing

britannic group



*Britannic Assured Services Division offers a cost effective, efficient policy administration service to companies that wish to exit the life and pensions business completely. Britannic Group aim, through their Assured Services division, to be the best owner and administrator of closed life funds from both a policyholder and a shareholder perspective.*

## Business Challenges

- More value required from current IT spend
- Rationalize IT providers , appoint one preferred partner
- Ability to integrate acquired IT platforms

## Solutions

- Provide data centre and print services supporting the management of all Britannic closed book policies in accordance with FSA regulations, including:
  - 24/7 monitoring of all operation platforms
  - Automated tooling
  - Flexible contract facilitates Britannic's aggressive and fast paced acquisition programme

## Benefits

- Single IT point of contact for Data Centre services
- Reduce costs while increasing control via operations
- Reduced management and risk via outsourced IT estate



# Network Rail 5 Year Master Agreement



*Network Rail owns and maintains the tracks, signals, tunnels, bridges, viaducts, level crossing and stations of Britain's railway network. The company provides access to the tracks and stations for all passengers and freight trains, timetable their movements and operate the signalling as they move on the network. For more information: [www.networkrail.co.uk](http://www.networkrail.co.uk)*

## Business Challenges

- IT services to improve train performance

## Solutions

In addition to existing agreement, service improvement program for the train management and planning systems:

- Review systems to align with business goals
- Connectivity technical refresh
- Implementation of new web-enabled interface
- Manage and operate payroll and financial systems
- Manage and operate Midrange server estate
- Technical services: intrusion detection, vulnerability scanning services, disaster recovery

## Benefits

- Help Network Rail improve services to the train operating companies
- Systems become more user-friendly



## Philips H1 2005 Update

- ✓ Philips has sold their remaining stake in Atos Origin
- ✓ The commercial relationship with Philips remains very good, and Atos Origin is one of Philips' preferred suppliers for IT services, as evidenced by:
  - the extension of the IT partnership agreement until the end of 2008
  - a three-year contract with the Medical Systems division for the global roll-out and continued support of the Customer Care Remote Services Network (RSN)
  - many contracts and service level agreements with all Philips businesses worldwide and Global Service Units, maturing at different dates, of which 60% relate to Managed Operations (recurring) business

**PHILIPS**



*BP is one of the world's largest energy companies, operating in more than 100 countries. Main activities are exploration and production of crude oil and natural gas, refining, marketing, supply and transportation; as well as manufacturing and marketing of petrochemicals. The German retail brand of BP is Aral. BP has growing activities in gas, power and solar energy.*

# Deutsche BP Outsourcing of Application Management

## Business Challenges

- Deliver cost reduction for application support and maintenance
- Broaden the range and flexibility of services and solutions to support enterprise business needs and strategies
- Provide sustainable IT support and operations for business units with high availability of applications
- Institute, maintain or improve continual application and technology portfolio assessment to allow low value solutions to be eliminated

## Solutions

- Take over of about 50 IT and oil professionals to manage the maintenance of about 60 application clusters supporting the business of Deutsche BP
- Implementation of a service organisation to manage cost reduction for application support and maintenance

## Benefits

- Cost reduction of application support and maintenance effective after transition
- Reduction of no. of local suppliers by usage of large AO organization and skills



# Premiere Full IT-Outsourcing



**Premiere** Fernsehen is the leading pay TV operator in Germany and Austria with around 3.3 million subscriber households.

Revenues of € 984.8 million

Earnings (EBITA) of € 82.9 million

1,595 employees

(all 2004 figures)

## Business Challenges

- Strategic partner for IT, especially for core CRM environment with the ability to develop a new platform
- Outsourcing of non strategic IT business
- Closing of premises Hamburg (geographical fit)
- Cost reduction

## Solutions

- Relationship approach based on long term partnership
- Evaluation project for new CRM business platform
- Take over 100 staff in Hamburg and Munich
- Take over third party contracts for harmonization and cost reduction

## The results

- 10 year outsourcing contract for MO and CSI business
- Contract mechanism based on a real partnership
- Attractive financial model with 20% cost savings
- Increasing visibility on the German IT market



# Telecom Italia

## Telecom Italia Group Profile

- *Headquarters: Italy*
- *Industry: Telcommunication*
- *One of the world's largest **fixed** telecommunications operators (26.6 million subscriber fixed-lines installed including ISDN); the **1st** in **Italy's Mobile Market** and one of the largest in the world (more than 44.5 million mobile lines- 26.1 million in Italy and more than 18.4 million outside)*
- *Geographical Presence: Mediterranean Area, Central Europe and South America*
- *30.8 Billion € revenues 1H 2004-1H 2003 (growth: +0,48%) with Operating Profit: 22% (+12%)*
- *More than 90,000 employees*



## Business challenges

- Help Telecom Italia Group to guarantee growth year after year by dealing with the complex dynamics in the telecom arena in terms of innovation, development and efficiency

## Solutions

- At both corporate as well as at the affiliates level design build and run of:
  - BSS and Enterprise systems
  - IT/Telecommunication Convergent services, including VAS, Security and CRM
  - new GPRS UMTS technology-based services to increase ARPU in the mobile domain and explore the high speed opportunities in growing geographies

## Benefits

- Long term value relationship
- Making operations more effective by supporting business critical applications
- Realising business potential together, globally and timely



# Regione Sicilia – Realization of the PTI and constitution of a shared company (SESI)



*Sicily is one of the biggest Italian regions and is the fastest growing Italian region for IT expenditure. Sicily is expected to receive, in the next few years, hundreds of Euro millions to be invested in technological development*

## Business challenges

- Realization of the Information community
- Provide IT services to local government offices
- Use IT to improve Local Government services for Sicilian citizens

## Solutions

- Supplying all the requested products and services
- A detailed Business and Operation plan for the new shared company
- Participating for 5 years in the new company supplying management, resources and know how

## Benefits

- Integrated unique approach toward the realization of the IT services of Sicily's Local government
- Smooth start-up of the new company (SESI)
- Facilitate the emerging of Sicily as focal point for communications between Europe and other Mediterranean countries.



# Mundivia

## Mundivia



*IT service company ,HQ in Santander, 260 employees,  
FY 2004: 14M€ revenue,  
Stockholders : Atos Origin 85%, Sodercan 15%  
Business Mix : 66% MO / 34% SI  
Industry: 60% Energy / 40% Telecom  
Main Customers: ENDESA, AUNA, Gobierno de  
Cantabria, Viesgo.*

### Business challenges

- Atos announced end of March it had bought Endesa participation (85%) in Mundivia, formerly part of IT arm of Endesa, a company with good liquidity and strong equity and assuring long term contracts with parent companies
- The remaining 15 % will continue to be owned by Sodercan, a company owned by the regional Cantabrian Government, Caja Cantabria (a savings bank) and The Cantabrian Chamber of Commerce, which have confirmed commitment to developing the company

### Solutions

- Joint systems integration (specially in web environment) and outsourcing services for clients in the energy, public, finance and telecommunications sectors, including ad hoc solutions to the Spanish industry leaders

### Benefits

- Mutual synergies in the joint markets allowing Endesa to invest in its core business
- Consolidation of relationship between all the parent companies
- Strengthened presence on local public sector and finance markets
- Increased portfolio in electricity market



# Tehran Stock Exchange

## TSE Tehran Stock Exchange



*The **Tehran Stock Exchange**, established in 1968, is one of the best performing Stock Markets in the region. Since the beginning of the nineties, the Stock Exchange has expanded continuously. Today, with more than 420 listed companies and a total market capitalisation of more than \$45 Billion, the TSE is one of the most attractive stock markets in the region. The TSE recorded an average annual return on investment of more than 65% during the last 3 years.*

<http://www.tse.ir/>

### Business Challenges

- Play a regional role by attracting other investors
- Facilitate TSE expansion
- Foreign investor laws/regulations
- Decentralisation: Expansion to other provinces
- Renew and rationalize the global infrastructure
- Introduce new financial instruments including derivatives, and exchange traded mutual funds
- Cross-listing of TSE's listed companies at the regional and European Exchanges.

### Solutions

License, Implementation and Maintenance Contracts for:

- NSC (AtosEuronext Market Solutions key product) trading engine and all surrounding products (index calculation, dissemination...)
- PAM, WEBPAM Trading workstations including online trading
- Aramis, the Market Supervision System
- SARA, the AtosEuronext Market Solutions G30-compliant solution for Clearing Settlement and Central Securities Depository

### The Results

- First implementation in 2006
- 3-year maintenance contract





# International Olympic Committee (IOC) Partnership extended for 2010-2012



## Business Challenges

- Require a trusted Information technology systems integrator for the world's most highly visible event: 2010 Olympic Winter Games in Vancouver Canada, and the London 2012 Olympic Games.

## Solutions

As the Worldwide IT Partner for the Olympic Games, Atos Origin will be responsible for developing, running and securing key information systems including:

- Core games management for accreditation, workforce management, medical services, sport entries and athletes qualification
- Info diffusion for the collection of all competition data and diffusion on the Intranet, Internet, to the world press agencies and commentators
- Operations management of pre-Games central operations, management of the Technology Operations Center, coordination of the venues and help desk services
- Security of the Games IT infrastructure.

*The IOC is an international non-governmental non-profit organization and the creator of the Olympic Movement. The IOC exists to serve as an umbrella organization of the Olympic Movement. It owns all rights to the Olympic symbols, flag, motto, anthem and Olympic Games. Its primary responsibility is to supervise the organization of the summer and winter Olympic Games.*



# Agenda

- **GROUP ACHIEVEMENTS**
- **H1 2005 BUSINESS PERFORMANCE**
- ➔ • **H1 2005 FINANCIAL PERFORMANCE**
- **STRATEGY – BUSINESS DEVELOPMENT**
- **2005 OUTLOOK**
- **SUMMARY**



# H1 2005 Financial Highlights

## Highlights Performance

- Organic growth of +8.1% and +18% respectively for revenues and operating margin
- Net capital gain on disposals € 52M
- % of progress for restructuring plan : 50% as cost and 60% for cash payment
- Write-off fees on previous syndicated loan € -7M
- Tax rate 31.6%, a limited increase compared with FY04
- Net income before unusual items at € 105M, an increase of +38%
- Net proceeds from disposals € 141M
- Staff hiring 2 times higher than last year

## Highlights IFRS

- Disappearance of pass-through revenue (€ -31M H1-04)
- Stock options charge € -7M
- Release of OBS provisions in operating income € 17M
- Fair market value of financial instruments € -7M
- Capitalized transition costs down from € 14M (Dec-04) to € 11M (Jun-05)



## IFRS standard conversion project

- ✓ Calendar of transition : in line with AMF recommendation and Syntec approach
  - 2004 financial accounts presented in accordance with French principles
  - Q1 2005 revenues published under IAS / IFRS rules (May 2005)
  - Communication on financial impact on 2004 accounts before AGM (June 2005)
  - 1<sup>st</sup> set of financial accounts under IAS / IFRS in H1 2005 (Sep 2005) with 2004 reconciliation
- ✓ Presentation of financial statements
  - Balance sheet : current / non current items
  - Disappearance of non recurring items
- ✓ Segment information : segment 1 Geographical Area / segment 2 Service Line
- ✓ Main financial impacts on FY2004 financial statements
  - €+120M on equity
  - €+103M on net income Group share



## Revenue performance in H1 2005

### Better than expected first half revenues

In €Millions	H1 2005	H1 2004	% Change
Revenue reported for H1 2004		2,653	
IFRS impact		-31	
<b>Statutory growth</b>	<b>2,725</b>	<b>2,622</b>	<b>+4.0%</b>
Disposals		-88	
Exchange Rate impact		-14	
<b>Organic growth</b>	<b>2,725</b>	<b>2,520</b>	<b>+8.1%</b>

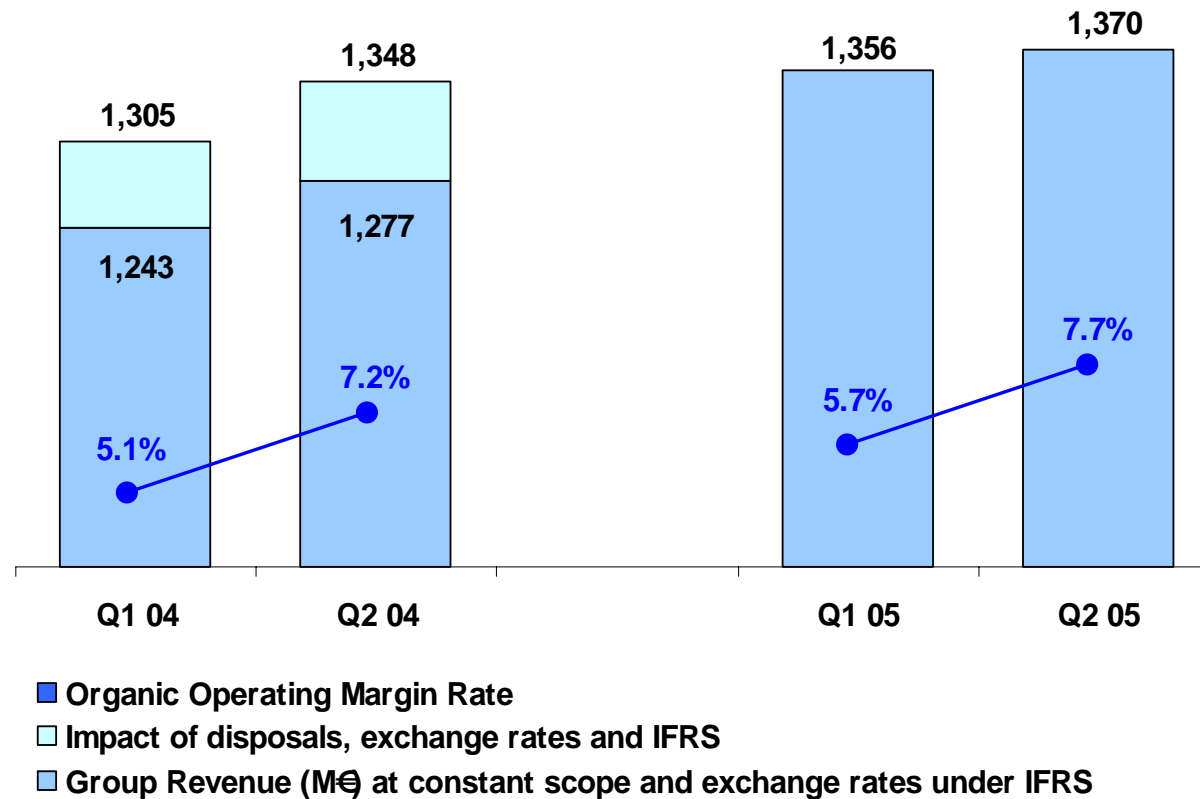


## Operating margin performance in H1 2005

### Strong increase in operating margin

In €Millions	H1 2005	H1 2004	% Change
Operating margin reported for H1 2004		158.3	
IFRS impact		7.4	
<b>Statutory growth</b>	<b>183.1</b>	<b>165.7</b>	<b>+11%</b>
Disposals		-10.4	
Exchange Rate impact		-0.7	
<b>Organic growth</b>	<b>183.1</b>	<b>154.7</b>	<b>+18%</b>
Operating margin rate	6.7%	6.1%	+0.6 pts

## Positive trend on revenues & profitability





## Substantial increase of the net income

In €Millions	H1 2005	H1 2004	Comments
<b>Revenue</b>	<b>2,725</b>	<b>2,622</b>	<b>+8.1% organic growth</b>
<b>Ebitda</b>	<b>217</b>	<b>216</b>	<b>8.0% of revenues</b>
<b>Operating margin</b>	<b>183</b>	<b>166</b>	<b>+18% organic growth, +0.6 pts of rate</b>
Reorganization and rationalization costs	(36)	(74)	28M€ reorganization / 8M€ rationalization
Gain (loss) on disposals	52	(3)	Mainly Nordic business
Net release of provisions	14	1	17M€ Opening Balance Sheet provisions
Impairment losses on LT assets	(9)		
Stock option charge	(7)	(12)	
<b>Operating income</b>	<b>196</b>	<b>78</b>	<b>7.2% of revenues / + 153% growth</b>
Net cost of financial debt	(16)	(19)	5.3% cost of debt
Other financial income - expenses	(17)	(0)	Fees write-off on previous syndicated loan -7M€ and depreciation of financial assets -7M€
<b>Net financial expenses</b>	<b>(32)</b>	<b>(19)</b>	
<b>Tax charge</b>	<b>(39)</b>	<b>(27)</b>	<b>Notional tax rate 31.6%</b>
<b>Net income</b>	<b>125</b>	<b>32</b>	
<b>Group share</b>	<b>121</b>	<b>28</b>	<b>4.5% of revenues / +328% growth</b>
<b>Minority interests and affiliates</b>	<b>(4)</b>	<b>(4)</b>	



## Earning Per Share

### Basic EPS accretion of 313%

In € Millions	H1 2005	H1 2004	Comments
Net income Group share	121	28	+328% growth
Restated Net income Group share (*)	105	76	+38% growth
Weighted average number of shares (millions)	67.05	64.70	
Basic EPS (euros)	1.81	0.44	Accretion of 313%
Restated basic EPS (euros) (*)	1.57	1.18	Accretion of 33%
Diluted weighted average number of shares (millions)	67.65	65.19	
Diluted EPS (euros)	1.79	0.43	Accretion of 313%
Restated diluted EPS (euros) (*)	1.56	1.17	Accretion of 33%

(\*) Net income before unusual items (net of tax)

## Net debt reduced to €363 M

In €Millions	H1 2005	Comments
<b>Cash from operating activities</b>	<b>220</b>	<b>8.1% of revenues</b>
Income tax paid	1	Benefit from French tax consolidation
Change in working capital	(106)	DSO 70 days / seasonality effect
<b>Net cash from operating activities</b>	<b>116</b>	<b>4.3% of revenues</b>
Capital expenditure	(81)	3.0% of revenues
Disposal of fixed assets	1	
<b>Net cash from current operations</b>	<b>36</b>	<b>1.3% of revenues</b>
Reorganisation and restructuring	(55)	43 staff /12 premises
Fair value adjustments	(8)	Software license commitment
Other changes	15	Mainly FX rates +27 / Common stock +9 / Interest paid -18
<b>Net cash before financial investments</b>	<b>(13)</b>	<b>-0.5% of revenues</b>
Financial investments	(17)	Business combinations
Disposal of financial assets	158	Nordic businesses
<b>Net cash flow</b>	<b>128</b>	
<b>Opening net debt</b>	<b>492</b>	
<b>Closing net debt</b>	<b>363</b>	



# Balance Sheet

## Gearing reduced to 20%

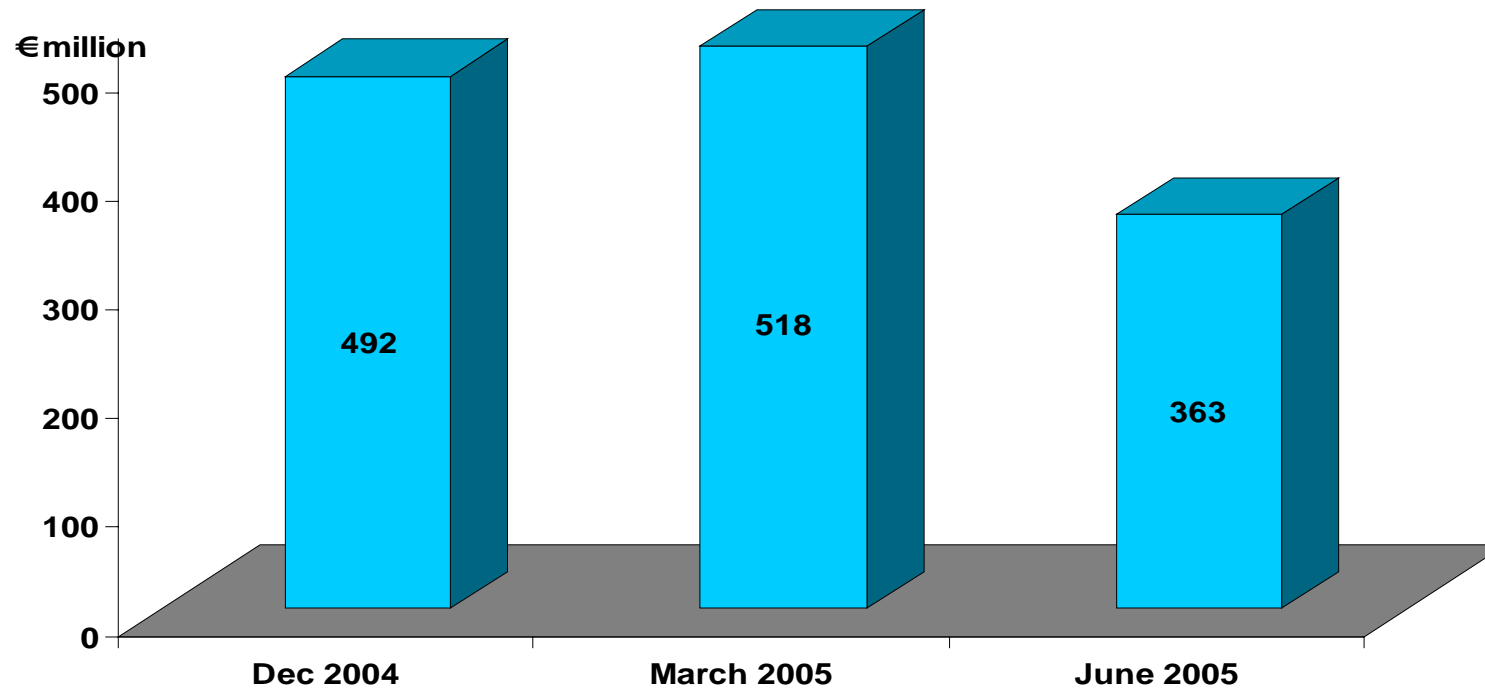
In €Millions	June 30th, 2005	Dec 31th, 2004
Goodwill	2,123	2,160
Fixed assets	398	385
Working capital	182	132
Deferred tax	275	277
Net assets held for sale		19
<b>Capital employed</b>	<b>2,978</b>	<b>2,974</b>
Equity	1,812	1,638
Pensions	522	515
Current Provisions	135	186
Non-current Provisions	146	143
Net debt	363	492
<b>Sources of Capital</b>	<b>2,978</b>	<b>2,974</b>
Net Debt / Equity	20%	30%



## 2005 Net Debt evolution

### Substantially within existing bank covenants

- Leverage Ratio (Net debt / EBITDA)      H1 2005 : 0.8      covenant < 2.5
- Interest Cover (Operating margin / Cost of debt)      H1 2005 : 12      covenant > 4





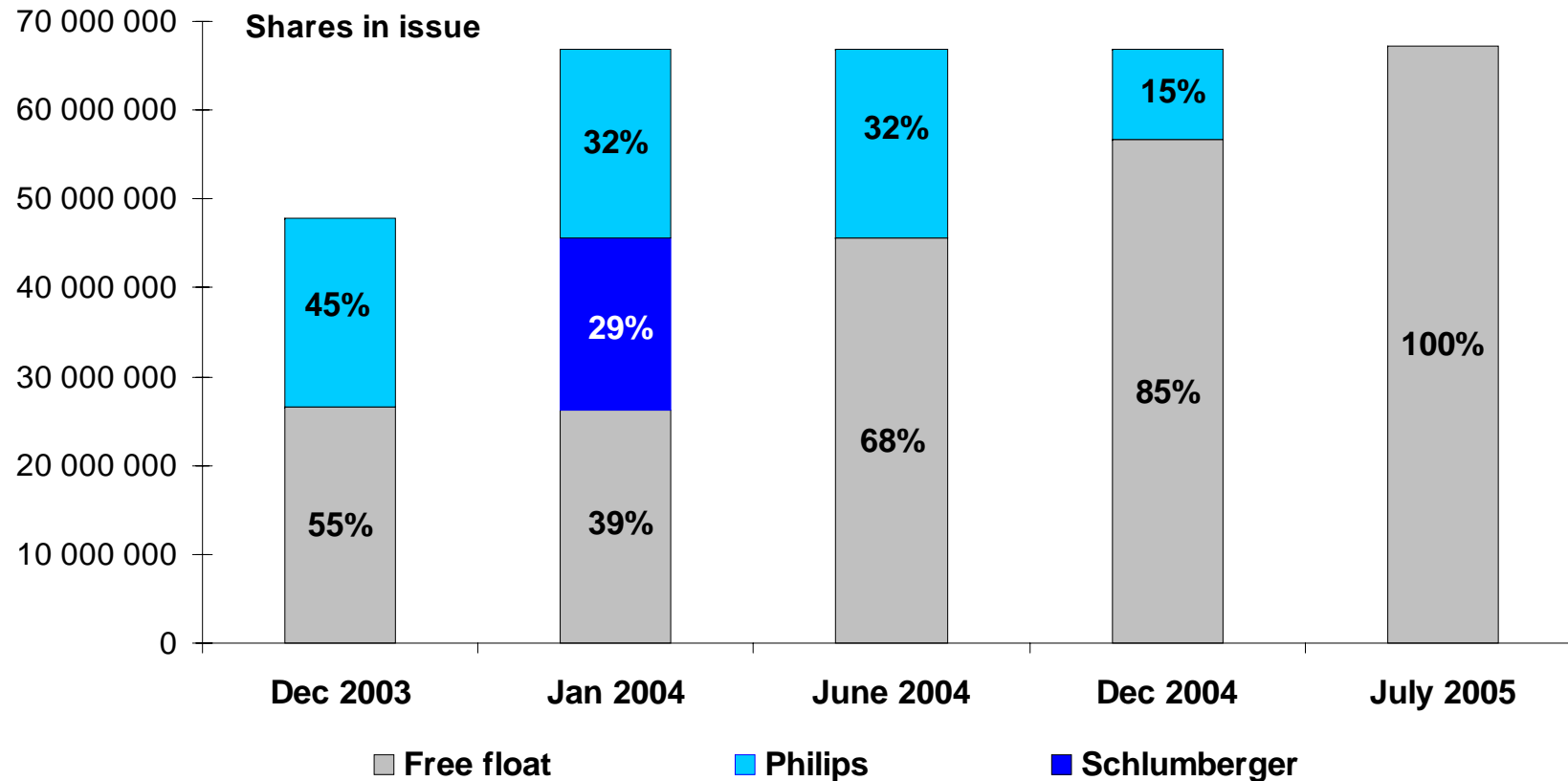
### Net recruitment in line with volume growth

- ✓ Revenue growth +4% in line with net increase of staff +3%
- ✓ Gross hiring +4,500 in H1-05 compared with +2,300 in H1-04 : 2 times higher
- ✓ Of which 430 staff taken-over from outsourcing contracts
- ✓ Staff turnover at 10.1% in H1-05 compared with 8.2% in H1-04
- ✓ Good utilization rates at 75% (Consulting) and 81% (Systems Integration)
- ✓ Increase of subcontractors at 7% of productive staff linked to new contracts



# Share Ownership

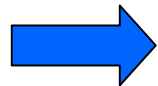
**100% free float achieved**





# Agenda

- **GROUP ACHIEVEMENTS**
- **H1 2005 BUSINESS PERFORMANCE**
- **H1 2005 FINANCIAL PERFORMANCE**



- **STRATEGY – BUSINESS DEVELOPMENT**
- **2005 OUTLOOK**
- **SUMMARY**



## Atos Euronext Market Solutions

### Creation of the leading technology provider to capital markets

- ✓ Major expansion of the partnership venture AtosEuronext and creation of a new company, Atos Euronext Market Solutions (AEMS), in July 2005
- ✓ Atos Origin and Euronext both contribute additional assets and business to the JV:
  - Operations of LIFFE Market Solutions, (IT division of Euronext.liffe) contributed by Euronext
  - Market-related businesses, including middle and back office solutions, and its 50% stake in Bourse Connect, contributed by Atos Origin
- ✓ Annual revenues in excess of EUR 350 million expected from the outset; less than half of total revenue coming from services provided directly to Euronext
- ✓ Large international client base including exchanges, clearing houses, banks and brokers, e.g:
  - Top-ranking derivatives exchanges (CBOT, LIFFE, TIFFE)
  - Sixteen exchanges using NSC (Chicago, Montreal, Boston, Tokyo, Tehran, Warsaw,...)



## Global BPO approach

- ✓ Major European IT Service provider : France, UK, Germany, Austria
- ✓ Services and solutions dedicated to Payment and Information flows, through:
  - Payment Services and Card Processing
  - Customer Relationship Management Services
  - Multi Channel Contact (Internet and Voice Services)
- ✓ More than 20 years' experience
- ✓ Large portfolio of value added services
- ✓ Solid expertise and references in CRM processing
- ✓ Flexible European organization oriented towards market sectors
- ✓ 2,500 employees and annual revenue of around € 350M



### Expanding presence in the Healthcare sector

- ✓ Major BPO contract renewal with the UK Dept. for Work and Pensions
- ✓ Similar BPO wins at Royal Mail and UK Department of Trade
- ✓ Significant opportunities with the UK National Health Service (NHS)
- ✓ Large upcoming bid opportunity with NHS Scotland
- ✓ Building a long-term support relationship with Philips Medical Systems
- ✓ Involved in the early stages of major public sector projects in France
- ✓ Established consultancy bases in Spain and Italy
- ✓ Partnerships crucial for success in this market (e.g. Cerner/Oracle)



# The Sourcing Power Grid

capacity available at international centers NOW





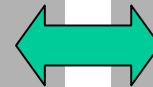
## Strategy : Business mix

### Design, build and operate

Understand our clients' business  
Consulting



Implement business solutions  
& application management  
Integration



Manage long-term relationships  
with clients  
IT outsourcing and processing



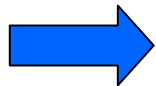
### Europe remains the primary target market

- ✓ To become the No. 1 IT services provider in Europe
- ✓ Need to grow further in Germany and the UK
- ✓ Increasing emphasis on building operations in Asia Pacific
- ✓ China and India are respectively the focal points for organic growth and for support



# Agenda

- **GROUP ACHIEVEMENTS**
- **H1 2005 BUSINESS PERFORMANCE**
- **H1 2005 FINANCIAL PERFORMANCE**
- **STRATEGY – BUSINESS DEVELOPMENT**
- **2005 OUTLOOK**
- **SUMMARY**



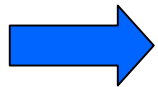


- ✓ Focus on achieving organic growth
  - Recovery of the market
  - Based on steady inflow of new orders and increase in pipeline
  - Organic revenue growth expected to be at least 8%, compared to 5% initially
  - Creation of Atos Euronext Market Solutions
  
- ✓ Operating margin confirmed in the range 7.5% - 8.0%
  
- ✓ Net debt target : € 200 M by December 31<sup>st</sup>, 2005
  - Due to improving level of profitability
  - Reduction in the cash cost of restructuring
  - Including investment in global delivery platform
  - Reduction in working capital
  
- ✓ Complete the program of business disposals



# Agenda

- **GROUP ACHIEVEMENTS**
- **H1 2005 BUSINESS PERFORMANCE**
- **H1 2005 FINANCIAL PERFORMANCE**
- **STRATEGY – BUSINESS DEVELOPMENT**
- **2005 OUTLOOK**
- **SUMMARY**





## A client-centric company with global operations

- ✓ Clear strategy
- ✓ Solid business mix
- ✓ Balanced industry sector mix
- ✓ Strong client base
- ✓ Stable and international management team



# Agenda

 • **APPENDICES**



## Debt repayment schedule

### Short-term cash available / Long-term debt repayment

In €Millions	Dec. 2004	June 2005	Short- term	Long- term	Long-term			
					2006	2007	2008	>2008
Finance leases	16	13	8	4	3	1	1	0
Long-term borrowings	769	591	8	583	1	1	1	581
Securitization	133	147	147					
Other borrowings	39	58	38	20	3	4	7	7
<b>Total borrowings</b>	<b>957</b>	<b>808</b>	<b>200</b>	<b>608</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>587</b>
Cash and cash equivalents	(466)	(281)	(281)					
Short-term financial receivables		(163)	(163)					
<b>Net debt</b>	<b>492</b>	<b>363</b>	<b>(244)</b>	<b>608</b>				



## Business disposals

### Over 80% of disposal program completed

In €million	Deconsolidation Date	Revenue			Sale Consideration	Multiple of Sales
		2003	2004	2005		
Cellnet	01/08/2004	156	75		157	1.1
Convergent	01/07/2004	13	4		4	0.4
Priority Call Managt	01/08/2004	11	6		5	0.5
Australia	01/10/2004	24	12		1	0.1
Peru	01/01/2005	0	2		0	0.0
<b>2004 disposals</b>		<b>204</b>	<b>99</b>		<b>167</b>	<b>1.0</b>
Nordic (PA-Konsult)	01/02/2005	10	10	1	18	1.8
Venezuela	01/05/2005	4	3	1	0	0.0
Rest of Nordic	30/06/2005	192	185	88	140	0.8
<b>2005 disposals</b>		<b>206</b>	<b>198</b>	<b>90</b>	<b>158</b>	<b>0.9</b>
<b>Total disposals to date</b>		<b>411</b>	<b>298</b>	<b>90</b>	<b>325</b>	<b>0.9</b>



## Common Stock

### Potential increase of common stock from stock options only

	Dec. 31st, 2004	Jun. 30th, 2005	As of today	
Philips	10,321,043	10 321 043	-	
Treasury stock	1,293	1,293	1,293	0%
Public	56,615,918	56,916,677	67,237,720	100%
<b>Common stock</b>	<b>66,938,254</b>	<b>67,239,013</b>	<b>67,239,013</b>	<b>100%</b>
<b>Potential dilution from stock options</b>			<b>6,434,825</b>	<b>9% of</b>
<b>Total potential common stock</b>			<b>73,669,838</b>	<b>potential</b>



## Provision movements

In €Millions	Dec 31st, 2004	June 30th, 2005	Change	Change of which			June 30th, 2005	
				Scope & Rates	P&L	Cash	Current	Non- current
<b>Pensions</b>	<b>515</b>	<b>522</b>	<b>7</b>	<b>3</b>	<b>46</b>	<b>-41</b>		<b>522</b>
Fair value adjustments	14	5	-8	0		-9	4	1
Reorganization	51	38	-13	-3	24	-34	38	
Rationalization	50	46	-4	4	5	-13	12	34
Project commitments	100	81	-19	6	-4	-21	81	
Litigation & contingencies	114	111	-3	7	-5	-5		111
<b>Others</b>	<b>329</b>	<b>281</b>	<b>-48</b>	<b>14</b>	<b>19</b>	<b>-81</b>	<b>135</b>	<b>146</b>
<b>Provisions</b>	<b>844</b>	<b>803</b>	<b>-41</b>	<b>17</b>	<b>65</b>	<b>-123</b>	<b>135</b>	<b>668</b>



H1 2005 results  
September 7, 2005