Atos Origin
WORLDWIDE IT PARTNER

H1 2004 results

September 8, 2004

Athens 2004: An exciting project

The largest IT services contract ever awarded in the sports industry

A highly specific project

- Highly Visible
- Highly Critical
- No second chance
- Ready on time, the deadline will not move

- Consortium of partners and suppliers
- Complex systems – massive testing programme
- Huge deployment task in a short period

- High level of dependency on volunteers
- Training requirements

The largest ever sports event

- Live competition: 4,500 hours
- Sport events: 301

- Competition Venues: 36
- Non-competition Venues: 26

- Accreditations issued: 200,000
- Athletes: 10,500
- Media: 21,500
- Volunteers: 45,000

A massive and complex IT environment

- A dedicated Olympic power infrastructure
- Very sophisticated data network

- Servers: 900, Computers: 10,500
- Results systems terminals: 4,000
- Printers: 4,000

- Very high degree of redundancy
- Innovative information Security features
- Unparalleled testing program

Athens 2004: spectacular achievement

As the prime integrator of the Games, our mission is to produce competitions results and deliver them to the public and the media

Huge preparation work

- **200,000 man hours of integration testing**
- **218 PC & Server configurations and profiles developed**
- **300 problem scenarios tested in Games conditions**
- **10,500PCs, 900 servers, 4,000 printers,…**
- **deployed and tested in the venues in less than two months**
- **600 training sessions for 10,000 enrollees**

For a flawless performance

- **200,000 accreditations issued and activated**
- **301 events - 4,500 hours of live competition**
- **Live commentator services delivered for 19 sports**
- **About 18 million queries on INFO2004**
- **Peak of 660,000 pages accessed on day 7**
- **More than 3GB of live results provided in 800,000 messages to the ATHENS2004 web site, broadcasters and Sport Federations**
- **About 60 million pages printed and distributed**
- **72,8 million visits to the Athens Organisazion Committee website**

Athens 2004: creating opportunities

- **The most visible, complex and risky project**
- **A first class calling card in terms of credibility**
- **A “development” lab, producing expertise in many domains:**
  - **Information Security**
  - **Infrastructure deployment**
  - **Critical monitoring system**
  - **Partner management**
  - **Knowledge capture and transfer**
- **Grow our business by leveraging the Olympics expertise:**
  - **Large accounts**
  - **New clients**

Management Board

Member	Responsibility	Coordination
Bernard Bourigeaud	CEO	
Xavier Flinois	UK, Americas, Asia Pacific	Global Markets, Key Accounts/Olympics
Eric Guilhou	CFO	
Dominique Illien	France, Central Europe	Managed Operations, AtosEuronext, Atos Worldline
Wilbert Kieboom	Benelux, Scandinavia	Consulting & Systems Integration
Giovanni Linari	Italy, Spain, Middle East, Africa	Telecom Market
Jans Tielman	Human Resources & Communications	

Agenda

- **GROUP ACHIEVEMENTS**
- **H1 2004 BUSINESS PERFORMANCE**
- **MERGER INTEGRATION FOLLOW-UP**
- **2004 OUTLOOK**
- **SUMMARY**

Highlights of H1 2004

- ✓ Revenue slightly better than our expectations at €2,653 M
  - Positive trend with +3% sequential growth Q2 / Q1
  - Encouraging inflow of orders with a book-to-bill ratio of 106%
- ✓ Operating profit in line with our expectations at €158 M (6.0% margin)
  - Improving margin trend from 5.0% in Q1 to 7.0% in Q2
- ✓ Accretion of EPS by 2% to €1.68
- ✓ Net debt reduced to €676 M before disposal proceeds of €150 M in Q3
- ✓ More than one-third of the disposal program already achieved
- ✓ Successful merger integration process

Agenda

- GROUP ACHIEVEMENTS
- H1 2004 BUSINESS PERFORMANCE
- MERGER INTEGRATION FOLLOW-UP
- 2004 OUTLOOK
- SUMMARY

Revenue performance H1 2004

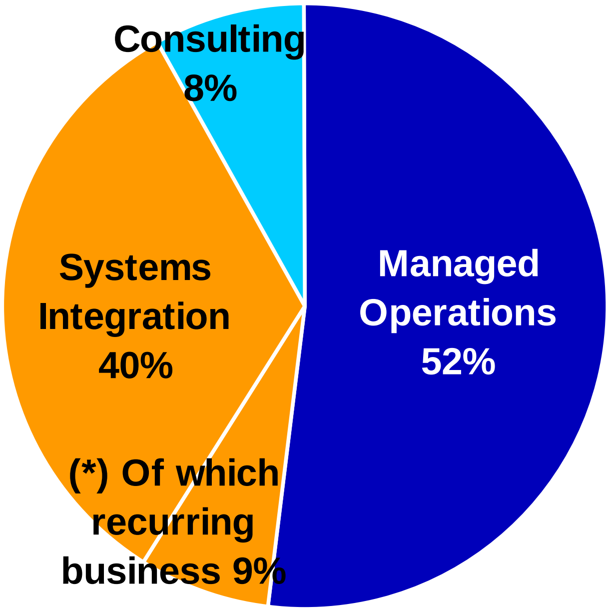
Slightly better than our first half expectations

In € Millions	H1 FY04	H1 FY03	Change	% Change
Revenue	**2,653**	**2,740**	**-87**	**-3.2%**
Exchange rates			-17	-0.6%
At constant exchange rates			**-70**	**-2.6%**
Disposals			-34	-1.3%
Organic			**-36**	**-1.3%**

Note : H1 2003 based on Pro forma Combined figures including Sema Group

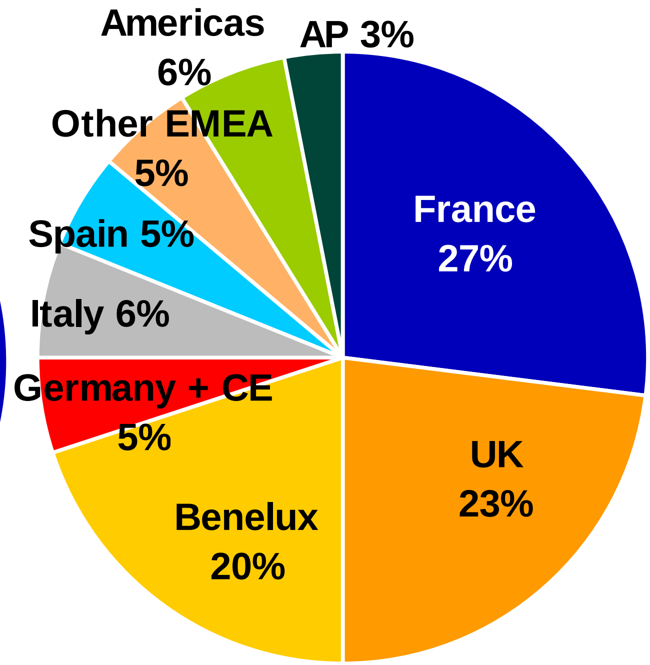
Group Profile

Business mix

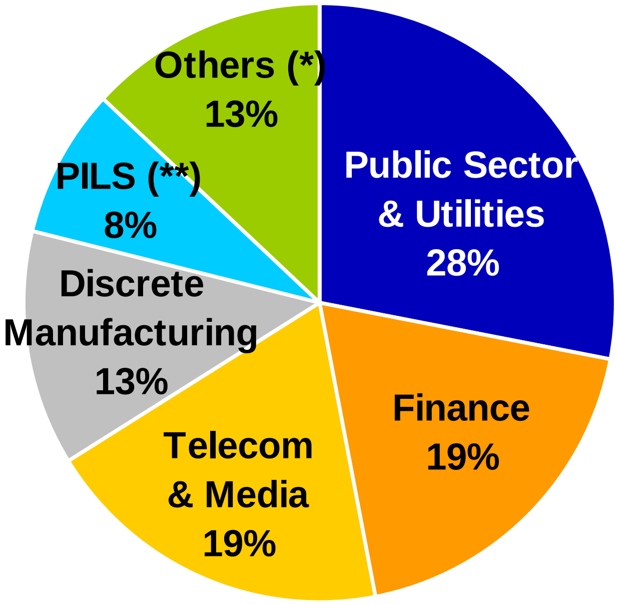


(*) Application Management

Geography



Industry



(*) Including Transport and Retail

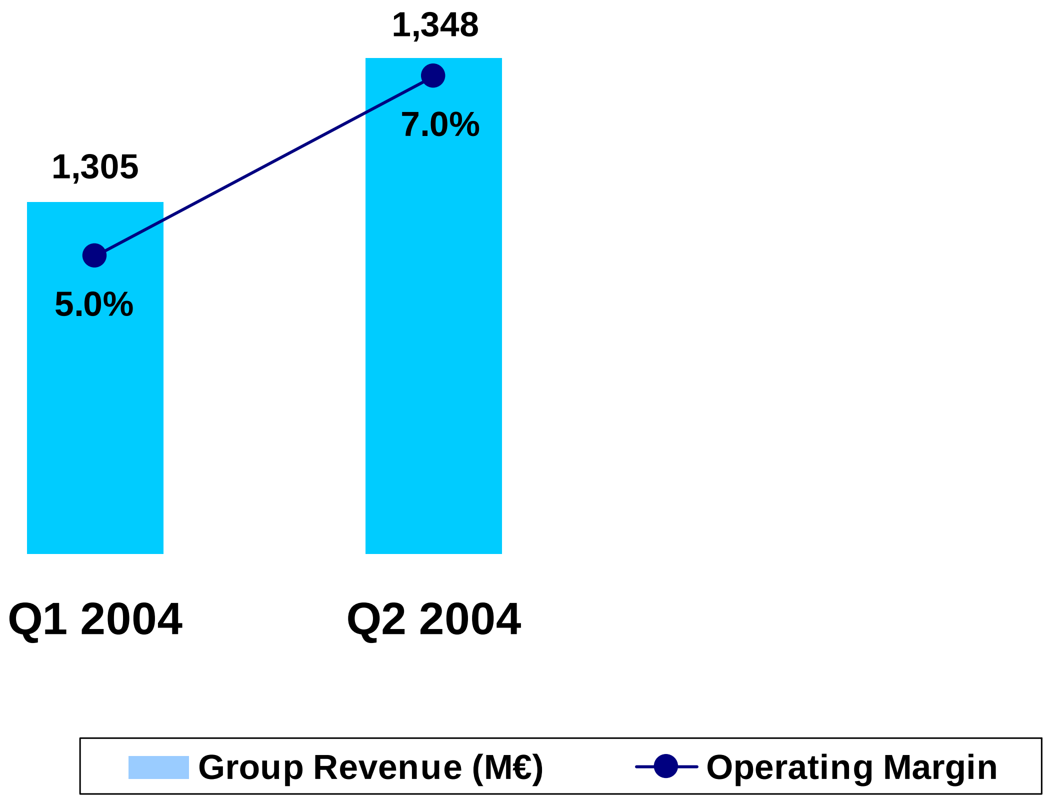
(**) Process Industry & Life Sciences

H1 2004 Revenue: €2,653M

Other revenue indicators

- Top 30 Tier 1 accounts represent more than 45% of Group's revenue
- Tier 1 and Tier 2 accounts represent more than 60% of Group's revenue
- Full backlog end of June 2004 : € 6.6 billion, representing 1.2 year's revenues
- Full pipeline end of June 2004 : € 2.5 billion, representing 0.5 year's revenues
- Book to bill ratio H1 2004 : 106% excluding long-term BPO contracts
  - ✓ Consulting & Systems Integration 98%
  - ✓ Managed Operations (ex BPO) 115%

Positive trend on revenues & profitability

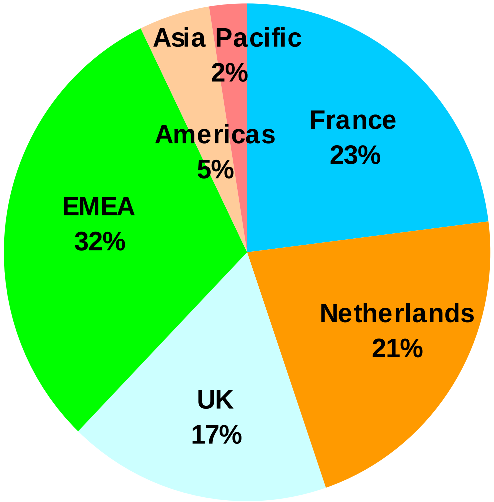


Consulting & Systems Integration

Emergence of positive signs

In € Millions	H1 2004	H1 2003	% change
Revenue	1,270	1,379	-7.9%
Income from operations	76.8	63.7	+21%
Operating margin	6.0%	4.6%	+1.4 pt
Headcount at closing	24,853	26,345	-6%

H1 2003 based on Pro forma Combined figures including Sema Group

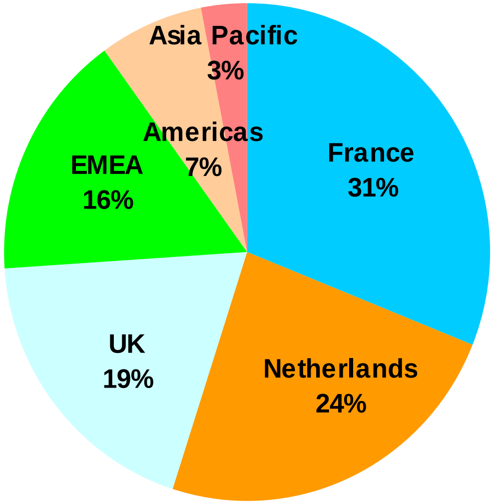


- Rebranding of Atos Consulting
- Creation of C&SI Global
- Organic decrease of 5.8% of which
  - Pricing pressure of 2% from 2003 only
  - Volume decline of 4%
- Sequential organic decrease of 2.8%
  - Pricing pressure limited to 2%
  - Seasonality effect in volume
- Q1->Q2 Quarterly organic increase of 3.6%
  - Some indication of pricing starting to increase : +3%
  - Volume increased also by 1%
- Book to Bill ratio of 98% with strong improvement from 87% in Q1 to 114% in Q2
- ERP operations provide 25% of C&SI revenue and long-term Application Management provides 20%
- Utilization rate improved to 73% (in Consulting) and 80% (in Systems Integration) at the end of June 2004
- Margin of 6.0% in H1 with a 2 point increase between Q1 and Q2

Steady inflow of orders

In € Millions	H1 2004	H1 2003	% change
Revenue	1,382	1,361	+1.6%
Income from operations	116.4	139.5	-17%
Operating margin	8.4%	10.3%	-1.9 pt
Headcount at closing	20,475	19,548	+5%

H1 2003 based on Pro forma Combined figures including Sema Group



- Formation of Atos Worldline
- Creation of Managed Operations Global
- Organic increase of 3.2% of which
  - Pricing pressure of 2% mainly due to renewals
  - Volume increase of 5%
- Sequential organic increase of 3.2%
  - Pricing pressure limited to 1%
  - Regular growth in volume +4%
- Q1->Q2 Quarterly organic increase of 2.5% mainly due to volume
- Book to Bill ratio of 115% excluding long-term BPO contracts
- Public Sector, Telco & Retail main growth sectors
- Margin of 8.4% in H1 with erosion due to
  - Conservative review of accounting for long-term contracts
  - Contracts wins and renewals with lower margin
- 2- point margin improvement between Q1 and Q2
- Future improvement expected from
  - Optimization of production (purchase efficiency & data center rational°)
  - Disposal of low margin activities & reduction of indirect costs
- US BPO activities sold in July (€64 M revenues in H1-04)

Performance by Service Line

In € Millions	Revenue				Operating margin		Employees
	H1 2004	H1 2003	% Change	% Organic	H1 2004	H1 2003	End of June 2004
Consulting & Systems Integration	1,270	1,379	-7.9%	-5.8%	6.0%	4.6%	24,853
Managed Operations	1,382	1,361	+1.6%	+3.2%	8.4%	10.3%	20,475
Corporate					-1.3%	-2.1%	248
Total Group	**2,653**	**2,740**	**-3.2%**	**-1.3%**	**6.0%**	**5.4%**	**45,576**

H1 2003 based on Pro forma Combined figures including Sema Group
Organic growth: at constant scope and exchange rates

Performance by Geography

In € Millions	Revenue				Operating margin		Employees
	H1 2004	H1 2003	% Change	% Organic	H1 2004	H1 2003	End of June 2004
France	715	726	-1.5%	+2.4%	7.2%	7.6%	12,335
United Kingdom	606	575	+5.5%	+3.8%	7.3%	7.0%	6,482
The Netherlands	483	485	-0.5%	+0.4%	12.4%	11.3%	8,425
Other EMEA	615	652	-5.6%	-5.0%	3.7%	4.5%	13,294
Americas	164	213	-23.0%	-14.4%	4.0%	2.8%	2,761
Asia Pacific	69	89	-22.4%	-15.4%	11.8%	20.3%	2,031
Corporate					-1.3%	-2.1%	248
Total Group	**2,653**	**2,740**	**-3.2%**	**-1.3%**	**6.0%**	**5.4%**	**45,576**

H1 2003 based on Pro forma Combined figures including Sema Group
Organic growth: at constant scope and exchange rates

Main clients

Top 30 tier 1 accounts represent more than 45% of Group revenues

- Top 30 tier 1 coverage of more than 45% in comparison with 43% in 2003
- Sequential growth of 9% between Q2 and Q1 in comparison with global increase of 3% at Group level
- Balanced coverage by Market and Service Line

	In terms of revenues	
	Number of Tier 1 clients	**% Sector coverage**
Public Sector & Utilities	9	53%
Financial Services	8	42%
Telecoms & Media	4	57%
Discrete Manufacturing	2	42%
Process Industries & Life Sciences	4	36%
Others (ie Transport & Retail)	3	29%
Total Group	**30**	**> 45%**

	% Service Line coverage
Consulting & Systems Integration	40%
Managed Operations	52%

KarstadtQuelle, Full Infrastructure Outsourcing Germany

KARSTADT QUELLE AG

KARSTADT
Warenhaus · Aktiengesellschaft

KarstadtQuelle AG is Europe's largest department store and mail order group:

- *Sales of € 15.3 billion*
- *Earnings (EBITA) of € 225*
- *100,000 employees*

(all 2003 figures)

Business Challenges

- **Reduction of IT-costs**
- **Find strong strategic partner for retail market in Europe**
- **Innovative retail-focused solutions**
- **Fit in Culture and size**

Solutions

- **New Organization Model and transfer of around 900 people**
- **Data Centre Consolidation**
- **New Desktop Service Model (NGDT)**
- **Retail Competence Centre for Application Support**
- **Development of common service offerings for retail market**

Benefits

- **Continuous cost reduction**
- **Staff integration within Atos Origin**
- **Cooperation with remaining ITELLIUM activities**
- **Smooth transition**

Immigration and Nationality Directorate - IPIDS

Home Office
IMMIGRATION & NATIONALITY
DIRECTORATE

The Immigration & Nationality Directorate (IND) is part of the Home Office and employs 16,000 staff spread over 60 sites. It is responsible for setting and enforcing the UK immigration and nationalisation policies.

Business Challenges

- **Transform IT Department to better support increasingly dynamic business environment**
- **Improve value for money**

Solutions

- **Transformational Outsource of Infrastructure, Application Support and Development**
- **Prime Integration of all service providers**

Benefits

- **Improved Value for Money**
- **Measurable Service Improvement**
- **Transformation of service through integration**
- **Release from day to day management to enable focus on core business issues and innovation**

Achmea, Mainframe services The Netherlands

As a leading financial services provider, Achmea offers businesses, institutions and consumers in The Netherlands a broad range of insurance, banking and mortgage products as well as services comprising assistance at home and abroad , health and safety services, absenteeism prevention and reintegration services.

Business Challenges

- **Reduce costs while increasing quality of service and providing better continuity**
- **Make costs variable on business changes and keep them in line with market conformity standards**
- **Avoid necessary investments in hardware and software and accommodation facilities**

Solutions

- **Best- in- class operation of IBM Mainframe services in Atos Origin's 'Class A' twin data centers**
- **'Plug in' use of Atos Origin's ITIL processes and tooling infrastructure**
- **'In service' innovation by Atos Origin at basis of full life cycle management**

Benefits

- **A significant reduction of ICT infrastructure costs**
- **Variable costs (pay as you go) that are continuously kept on a market conformity level**
- **Avoidance of significant investments, and the release of highly expensive and re-usable floor space**
- **High quality and better continuity**

End to End Services to Schenker AB

SCHENKER
Stinnes Logistics

*Schenker offers logistics services all over the world.
Schenker offers European land transport, as well
as ocean, airfreight and associated services
all over the world.
Hot or cold, tall or long and irrespective of the time of day,
we distribute your goods according to your requirements.*

Business Challenges

- **Establish an IT partner relationship with a truly global provider**
- **Provide an end to end Service covering all IT Services**
- **Handle operation, maintenance and development of business critical applications**

Solutions

- **Leading Edge Technology**
- **Global Capability and standardised Services**
- **Centralised Computer Services, Network Management and operation, Server Based Computing**
- **Central Service Desk and Desktop Support for 2500 users**
- **Dedicated Customer Teams to ensure high level quality of Services**

Benefits

- **Progressive and effective IT TCO Reduction**
- **Enable Innovation and enhanced competitiveness for the client**
- **High level of Customer Satisfaction**

Ministry of Finance : Copernic or new e-administration

With more than 50 millions Tax payers, citizen and companies, Minefi is the largest ministry in France. In charge of Tax calculation and collection but also custom, Industry politic,State accounting and cities accounting, Ministry of Finance replaces 2 agents by only one thanks to Copernic.

Business Challenges

- **Provide a unique Tax Account for every citizen and company and offer new on line services, while building a new information system**
- **Renew the procedures and tools of the 130,000 Ministry of Finance agents**

Solutions

- **Projects + Change Management evaluated for 900 M€ of external cost (2001-2008).**
- **6 year contract for Atos (2001-06): to design and manage the program**

Benefits

- **Higher efficiency for civil servants**
- **New Image for the ministry**
- **New I.S. based on Web and Open source**
- **Ease of use for citizen**

Turning Client Vision into Results

Standard Chartered Bank

Standard Chartered

What can we do for you today?

Standard Chartered Bank

Standard Chartered employs 30,000 people in over 500 locations in 56 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

It is one of the world's most international banks, with a management team comprising 70 nationalities.

It serves both Consumer and Wholesale Banking customers.

Business Challenges

- **Greater exploitation of IT for the business across Asia Pacific**
- **Achieve an improved total cost of ownership for IT operations**
- **Raise the quality of the services to customers**
- **Improve the resilience of the services**
- **Support the future growth plans of the business**
- **Achieve the above transformation with minimum risk**

Solutions

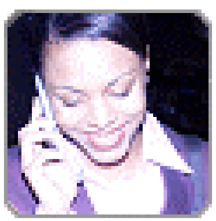
- **Consolidation of infrastructure into 2 new Tier 1 data centres**
- **A refresh of technology across mainframe, midrange and storage**
- **Deployment of Atos Origin CSDM service delivery model**
- **Deployment of Atos Origin GEMS management tooling**
- **Integration with the bank's own IT service centres**

Benefits

- **50 % reduction in cost of mainframe operations**
- **30% reduction in cost of midrange operations**
- **High resilience and DR capability in all production systems**
- **Higher performance targets within service level agreements**
- **No single points of failure within supported infrastructure**
- **A 7 year outsourcing contact worth around 200m USD**
- **Scalable pricing giving greater economy as the business grows**

Vodafone UK Desktop Outsource and Transformation Program




Vodafone is the largest mobile operator by revenue globally. With significant growth over many years from voice services Vodafone is driving change to deliver future business growth from 3G.

Business Challenges

- **IT cost reduction and focus on core business as part of broader corporate initiatives**
- **Vodafone UK is leading the Group's IT outsourcing initiative. This is a blueprint for the rest of the Group**
- **Standardize a disparate 13,000 desktop estate to drive lower operational costs**

Solutions

- **Managed operations outsource and supply services including first, second and third line support. Transfer of some 100 support staff to Atos Origin delivering continuity in customer services**
- **10 month transformation program to deliver a standard hardware and software desktop estate**

Benefits

- **20%+ reduction in desktop support cost**
- **Reduced management overhead enabling greater focus on strategic initiatives**
- **Improved flexibility in desktop service provision aligned to dynamic changes in business need**

Net Income

In € Millions	H1 2004	H1 2003	Comments
Revenue	**2,653**	**1,543**	**+72%**
EBITDA	216	178	+21%, 8% of revenue
Income From Operations	**158**	**123**	**+29%**
Net financial expenses	(16)	(12)	Average net debt €721M vs €417M Average rate 4.3% vs 4.8%
Corporate income tax	(27)	(25)	Notional tax rate 40% vs 30%
Minority interests	(3)	(7)	Middle-East situation
Net income before goodwill & NRI	**112**	**78**	**+43%**
Non-recurring items (NRI)	(76)	(25)	Merger restructuring
Goodwill amortisation	(59)	(29)	Sema Group impact €36M
Net income (Group share)	**(23)**	**24**	
Closing number of shares (millions)	66.9	47.7	+40%
EPS before goodwill & NRI (euros)	**1.68**	**1.64**	**Accretion of 2%**

Cash Flow

In € Millions	H1 2004	Comments
Cash from operating activities	148	5.6% of revenues
Change in working capital	24	DSO 71 days
Net cash from operating activities	**173**	**6.5% of revenues**
Capital expenditure	(75)	2.8% of revenues
Net cash from current operations	**98**	**3.7% of revenues**
Reorganisation and restructuring	(70)	€50M staff restructuring
Fair value adjustments	(7)	Software license commitment
Disposal of assets	21	Fixed and financial
Other changes	(12)	Profit sharing
Net cash before financial investments	**31**	**1.2% of revenues**
Financial investments	(442)	Sema Group acquisition
Net cash flow	**(410)**	
Opening net debt	**(266)**	
Closing net debt	**(676)**	**Gearing at 44%**

Turning Client Vision into Results

Balance Sheet

In € Millions	Atos Origin Dec. 31st, 2003	Sema Jan. 1st, 2004	Acquisition Jan. 1st, 2004	Opening Jan 1st, 2004	June 30th, 2004
Goodwill	742		1,428	2,170	2,122
Other fixed assets	201	158		360	323
Working capital	146	276		422	457
Operational working capital	64	123		187	215
Deferred tax	82	153		235	242
Net assets held for sale		166		166	160
Capital employed	**1,089**	**600**	**1,428**	**3,117**	**3,063**
Equity	584	69	922	1,575	1,552
Provisions	239	602		842	834
Pensions	105	302		407	429
Others	134	300		434	405
Net debt	266	(72)	506	700	676
Sources of Capital	**1,089**	**600**	**1,428**	**3,117**	**3,063**
Net Debt / Equity	46%			44%	44%
Operational WK / Revenue	2.1%			3.5%	4.1%

Opening Balance Sheet Sema Group

In € Millions	January 1st, 2004			1st valuat° OBS
	Sema	OBS	Pro forma	May 14th, 2004
Goodwill				
Other fixed assets	163	(5)	158	(86)
Working capital	291	(15)	276	55
Operational working capital	168	(46)	123	(15)
Deferred tax	122	31	153	70
Net assets held for sale	305	(139)	166	(139)
Capital employed	**758**	**(158)**	**600**	**(170)**
Equity	556	(487)	69	(549)
Provisions	274	329	602	379
Pensions	162	140	302	146
Others	112	188	300	233
Net debt	(72)		(72)	
Sources of Capital	**758**	**(158)**	**600**	**(170)**

Change in provision scope

In € Millions	Dec. 31st, 2003	January 1st, 2004			
	Atos Origin	Sema	OBS	Sub-total	Opening
Pensions	**105**	**162**	**140**	**302**	**407**
Fair value adjustments	31	20	2	23	54
Reorganization	23	10	1	11	33
Rationalization	20	4	38	41	61
Project commitments	28	72	78	150	179
Litigations & contingencies	33	6	69	75	107
Others	**134**	**112**	**188**	**300**	**434**
Total Provisions	**239**	**274**	**329**	**602**	**842**

Provision movements

In € Millions	Jan. 1st, 2004	Jun. 30th, 2004	Change	Scope	P&L	Cash
Pensions	**407**	**429**	**21**	**15**	**9**	**(3)**
Fair value adjustments	54	47	(7)	0		(7)
Reorganization	33	35	2	0	25	(23)
Rationalization	61	60	(1)	1	5	(7)
Project commitments	179	156	(22)	6	0	(28)
Litigations & contingencies	107	107	0	(1)	2	(1)
Others	**434**	**405**	**(29)**	**5**	**32**	**(66)**
Total Provisions	**842**	**834**	**(8)**	**21**	**41**	**(69)**

Repayment schedule

In € Millions	January 1st, 2004			June	Repayment schedule			
	AO	Sema	Total	2004	1Y	2Y	3Y	>3Y
Convertible bonds	(173)		(173)	(173)	(173)			
Long-term borrowings	(569)		(569)	(723)	(115)	(156)	(151)	(302)
Finance leases & other borrowing	(48)		(48)	(54)	(20)	(11)	(5)	(18)
Total borrowings	**(790)**		**(790)**	**(950)**	**(308)**	**(167)**	**(156)**	**(320)**
Total cash and cash equivalents (*)	**524**	**(434)**	**90**	**274**	**274**			
Total net debt	**(266)**	**(434)**	**(700)**	**(676)**				

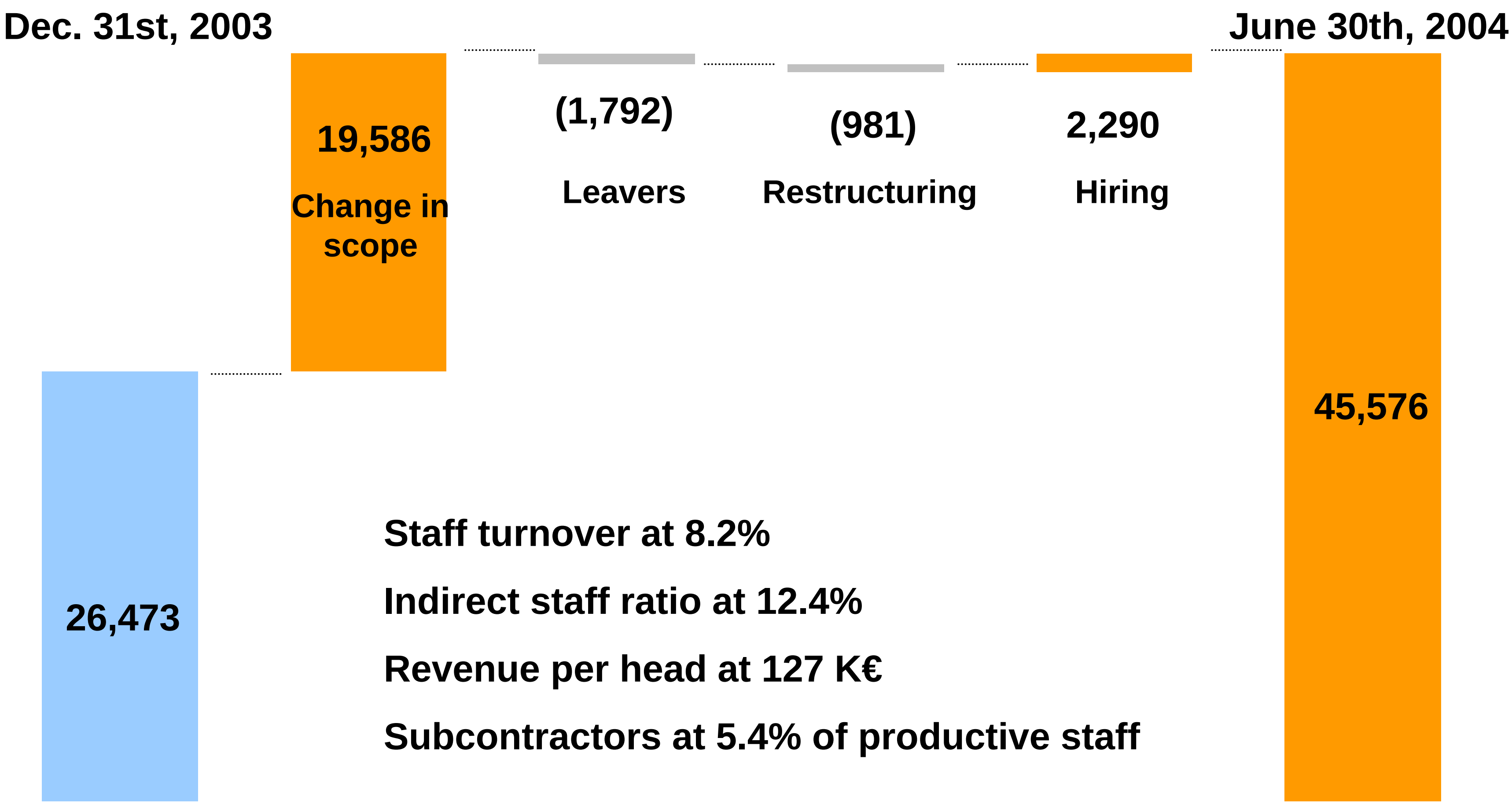
Before operating cash flow in H2 2004 and H1 2005 (target €200M per semester)
Before disposal proceeds of €150 M in H2 2004 + further disposals

KarstadtQuelle will be financed with Tranche C of syndicated loan (residual not used: €200M)

(*) €434M = Sema Group's acquisition price in cash €506M – Acquired net cash €72M

Staff evolution

Merger restructuring well in progress



Staff turnover at 8.2%

Indirect staff ratio at 12.4%

Revenue per head at 127 K€

Subcontractors at 5.4% of productive staff

Merger reorganization

More than half of restructuring plan completed in H1 2004

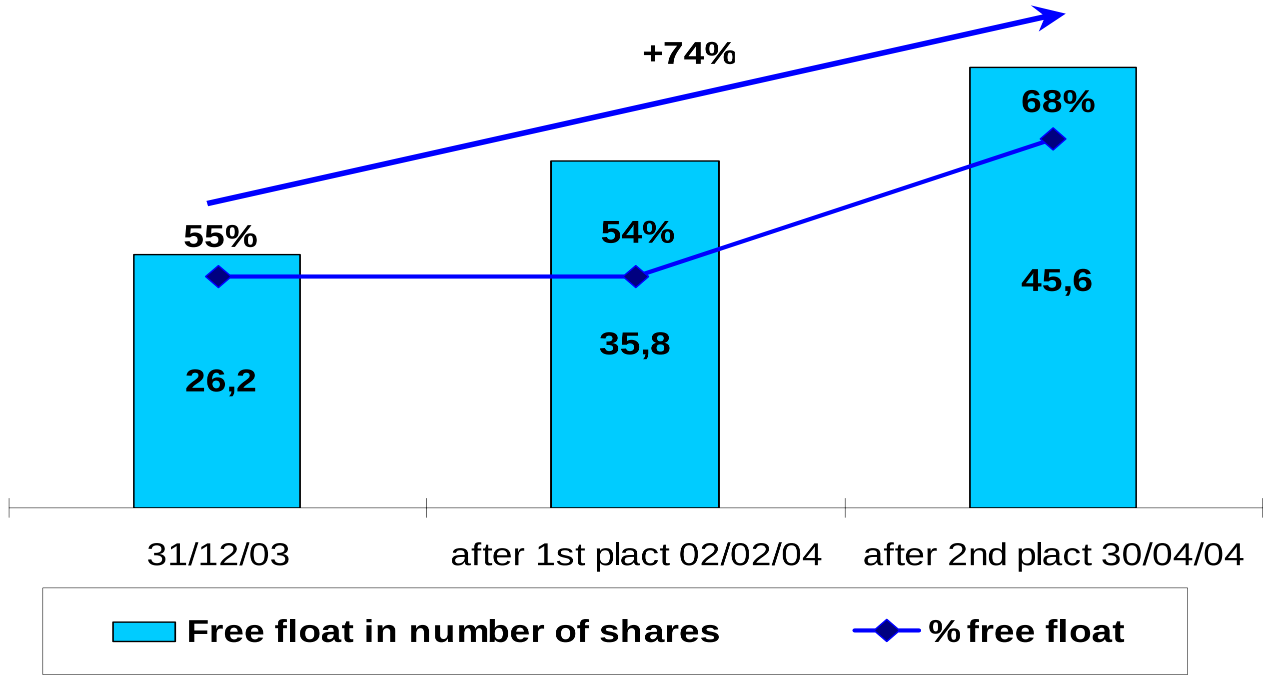
	2004				2005
Headcount	**Original plan**	**H1**	**H2**	**New plan**	
Staff reduction	2,333	981	891	1,872	62

P&L cost (in € Millions)	**Original plan**	**H1**	**H2**	**New plan**	**2005**
Reorganization	(112)	(52)	(37)	(89)	0
Rationalization	(8)	(11)	(6)	(17)	(13)
Integration	(30)	(11)	(13)	(24)	(6)
Total	**(150)**	**(74)**	**(56)**	**(130)**	**(19)**
Cash cost (in € Millions)	**(170)**	**(70)**	**(70)**	**(140)**	**(22)**

Turning Client Vision into Results

Share ownership structure

	Dec. 31st, 2003	Jan. 29th, 2004	Jun. 30th, 2004	
Philips	21,321,043	21,321,043	21,321,043	31.9%
Schlumberger		19,300,000		
Treasury stock	301,293	1,293	1,293	0.0%
Public	26,247,297	26,247,297	45,607,303	68.1%
Common stock	**47,869,633**	**66,869,633**	**66,929,639**	**100%**



Atos Origin has been an early adopter

✓ Atos Origin has already adopted the new IFRS rules at the following levels:

- revenue recognition (IAS 11 / 18)
- determination of income tax (IAS 12)
- recording of tangible assets (IAS 16)
- leasing agreements (IAS 17)
- recognition of employee benefits (IAS 19)
- effect of foreign exchange fluctuations (IAS 21)
- long-term asset impairment (IAS 36)
- recognition of provisions and contingent liabilities (IAS 37)

✓ Accounting standards yet to implement :

- Stock options (IFRS 2)
- Business combinations (IFRS 3)
- Financial instruments (IAS 32 / 39)

Well prepared for 2005

- ✓ The project was started early in 2003
- ✓ Atos Consulting has led the process
- ✓ Extensive training of staff has been undertaken
- ✓ IFRS results are already being reported internally
- ✓ Atos Origin will be ready to go live in January 2005
- ✓ The Group will disclose the impact on net profit and shareholder’s equity in 2004, when it reports in March 2005

Agenda

- GROUP ACHIEVEMENTS
- H1 2004 BUSINESS PERFORMANCE
- MERGER INTEGRATION FOLLOW-UP
- 2004 OUTLOOK
- SUMMARY

2004 Objectives

- Integrate the businesses
- Execute our disposal program
- Meet our financial targets

Rapid progress during H1 2004

- ✓ Organization in place on Day 1
- ✓ Governance structures in place
- ✓ Implementation of “Go to Market” strategy
- ✓ Setting and monitoring operational targets:
  - staff reorganization
  - premises and data centre rationalization
  - purchasing policy
- ✓ Legal and corporate structure optimization
- ✓ Business disposal program

Benefits to flow through strongly in H2 2004

- ✓ Disposal of low-margin activities completed in July
- ✓ Commercial opportunities increasing
- ✓ Cost saving plan:
  - benefit from H1 actions
  - further staff restructuring
  - data centre consolidation
  - increased savings from group purchasing
- ✓ Reduce tax rate

Key actions taken in H1 2004

✓ Creation of Global Consulting & Systems Integration:

- core offerings reviewed and defined
- Atos Consulting rebranded

✓ Creation of Global Managed Operations:

- definition of core offerings
- launch of Atos Worldline
- formation of an International Bid Team

✓ Expansion of the Account Management Program

✓ Appointment of Market Managers

Getting the balance right

- ✓ The balance of offshore and nearshore support
- ✓ Atos Origin has concentrated on high value CMM5 activities
- ✓ Continental Europe has been slower to adopt offshore
- ✓ Atos Origin has more than 1,000 staff offshore today
- ✓ We intend to double that number by the end of 2005
- ✓ We will concentrate both on Systems Integration and Managed Operations support
- ✓ Focus on developing our “MOOD” offering (Managed Operations On Demand)
- ✓ Support teams being built in China, Malaysia, Poland, North Africa and Brazil
- ✓ Spain has been a good source of nearshore support

Agenda

- GROUP ACHIEVEMENTS
- H1 2004 BUSINESS PERFORMANCE
- MERGER INTEGRATION FOLLOW-UP
- 2004 OUTLOOK
- SUMMARY

2004 Guidance

- Market sentiment improving slowly
- Growth signs coming from Public Sector, Telco & Retail, but actual client IT spending still constrained in Europe
- Revenue expectations remain stable at constant scope and exchange rates, slightly below €5.3 BN
- Operating margin targeted to exceed 7% for 2004
- Net debt below €550 M by December 31st, 2004 including disposal proceeds and new deals

Agenda

- GROUP ACHIEVEMENTS
- H1 2004 BUSINESS PERFORMANCE
- MERGER INTEGRATION FOLLOW-UP
- 2004 OUTLOOK
- SUMMARY

Strategy

- End to end service offerings
- Balanced mix of consulting, build and run
- Capitalize on industry sector knowledge
- Develop a focused consulting practice
- Focus on clients
- Leverage strong HR management

Build on global presence

Strategy : Business mix

60% revenue	**Manage long-term relationships with clients** IT outsourcing and processing & Application management
20% revenue	Understand our clients' business Consulting
20% revenue	Implement business solutions Integration

A client-centric company with global operations

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