



HTTS: *High-Tech Transactional Services*
**A strong recurring sustainable
added value growth engine**
Barclays, Sep 11th 2012

Atos

Our real-time, interactive world is about transactions and connections. This is what HTTS is all about: delivering B-to-B-to-C end-to-end digital services across all industries

Barclays' European Payments Forum

11 September 2012

High-Tech Transactional Services



Payments (€0.7B)

- Card Payments Processing
- Online Payments
- Mobile Payments



Loyalty, CRM, Smart Ticketing, kiosks...

E-commerce, E-administration, ...

M-Commerce, connected cars, M-banking...

→ and : E-tolling, Radars, etc...

eCS (€0.5B)

Strong commonalities between Payment and eCS transactions

▶ End Consumer Volume driven

- Double digit growth of e-commerce (*Mobile eCommerce revenues across Europe will rise from €1.7 billion in 2011 to €19.2 billion in 2017, reaching 6.8% of total web sales. Forrester 2012*)
- 12.7 percent growth of smartphones devices (*IDC Worldwide Smartphone 2012-2016 Compound Annual Growth Rate - June 2012*)

▶ Same technological challenges

- Real time, highly secured, industrial volumes, scalability
- All connectivity technologies needed (M2M, mobile, IP...)

▶ Same business areas

- Retail and commerce
- Banking
- Administrations, etc.



Technological components



Transactional sales

**Two similar business models
→ One industrial logic in Atos through HTTS**

The HTTS business line is an important source of profitable growth.

- ▶ **+4.4%** revenue organic growth ER H1 2012 vs. H1 2011 with a total half year revenue of 596.6 millions euros driven by strong organic growth from our international expansion (HTTS new countries)
- ▶ **15%+** operating margin level and 20%+ EBITDA
- ▶ **We are delivering a significant, resilient and sustainable growth because**
 - our digital services are pervasive in the day to day connected world
 - the overall volume of electronic transactions is growing fast and steady
 - our contracts are multi years recurring and predictable commitments signed with top companies in many industries around the world

An example based on connected cars



▶ Locate my car



▶ Email



▶ Twitter



▶ Fuel prices, Fleet Fuel cards, Fuel card fraud detection

▶ Fleet Usage Statistics, Fuel card fraud detection, VAT monthly netting



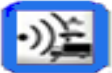
▶ Parking free places , SMS Parking payment



▶ Push



▶ Traffic info



▶ Speed radars, Fine mobile collection



▶ Google Search



▶ Google Send-to-Car



▶ Weather actual & forecast

HTTS – Payments services

Facts & Figures

€ 0.7 B

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- ▶ 2.2 billion acquiring transactions
- ▶ 28 million credit cards and debit cards
- ▶ 5 million fuel cards
- ▶ 153 million withdrawals
- ▶ 374 million remote payments
- ▶ 34 million mobile phone prepaid transactions
- ▶ 477 000 terminals worldwide



In Continental Europe

- ▶ #1 Internet Payment Gateway*
- ▶ #2 largest acquiring processor*

In Benelux

- ▶ #1 Commercial acquirer

* : based on Atos estimates



Atos Assets and Expertise

Card Payments Processing Services

- Strong position in the whole value chain
- **New solutions** for industrial scale

Commercial Acquiring

- Leadership position in **Benelux market**
- Strong relations **with international retailers** in several countries

Remote payments

- ePayments: proven solution, extensive services – **Unrivalled Leadership in France**
- mPayments: strong cooperation **with Banks and Mobile Network Operators in several countries.**

Scheme Processing

- Mutualised Payment Scheme gateway: front-office switching and back-office clearing and settlement.

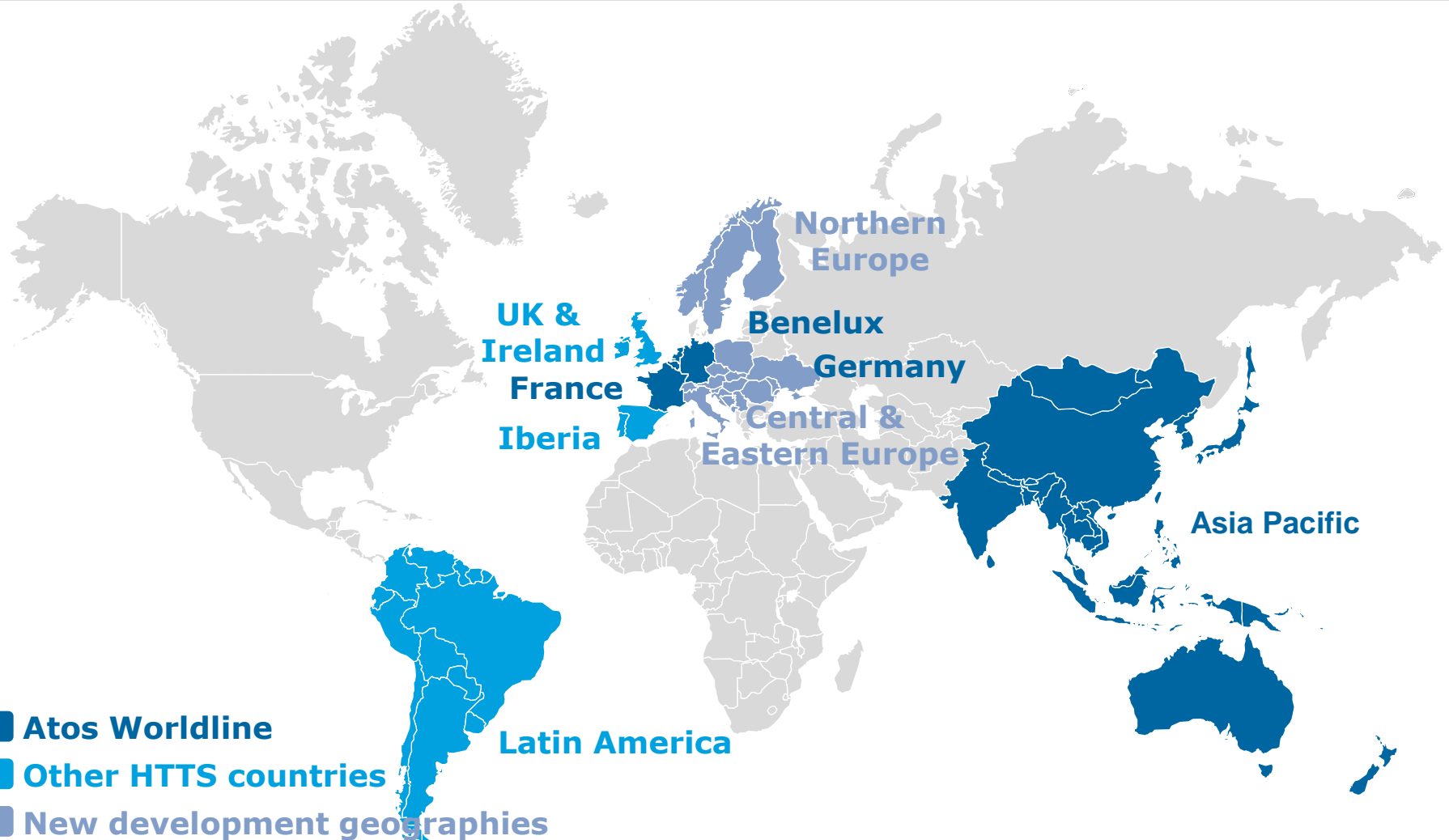
Opportunities and Challenges

- Good **volume growth** (5-10% in western Europe / 25%-40% in emerging markets)
- Regulatory and price pressure driving **need for scale and innovation**
- Roll-out in **new countries** to capture better margin through an end to end client facing service
- Leverage our **position in Financial and Telecom markets** to catch continuous growth in mobile and e-commerce payments across all geographies.
- Reuse solutions in **new markets** (e.g. utilities)

HTTS geographical development

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Our customers value our flexible, fast and low investment model and embed our services in multi year contracts.

High-Tech Transactional Services

Alternative business model: from Capex to Opex, **transaction fees**, cost predictability

Functional expertise, innovative end-user experience, compliancy with standards

Commercial and technical agility to provide **tailor-made service** with a fine tuned price model

Geared for **industrial volumes**, mission-critical applications with **peak-flows and data security** requirements

End to end commitments (e.g. performance levels, compliancy, availability, capacity to manage peaks traffic)

PRODUCTION MODEL

- ▶ Own software assets
- ▶ Business knowledge assets
- ▶ Best in class processing assets

BUSINESS MODEL

- ▶ Shared risks and success
- ▶ Limited initial set-up expenditure
- ▶ Based on client business metrics

High-Tech Transactional Services

Structural growth in payment (e-commerce and e-payment)

Supported by regulatory, technological and cultural changes

Operations in fast growing economies:

Asia and India

Connectivity and connected devices number booming

**Leveraging other Atos geographies to develop HTTS :
Central & Northern Europe
and Latin America**

Strong investment in innovation and R&D to maintain state of the art HTTS solutions up-to-date

Targeted acquisitions strategy with financial discipline