

- » BOOST PERFORMANCE
- » REDUCE COST
- » INCREASE AGILITY
- » ENHANCE CRM
- » SHORTEN TIME TO MARKET
- » DRIVE INNOVATION
- » IMPROVE EFFICIENCY
- » INCREASE ADAPTIVITY
- » ENABLE BUSINESS TRANSPARENCY
- » ENSURE REGULATORY COMPLIANCE

Atos 
Origin

WORLDWIDE IT PARTNER



H1 2006 Results

Paris, 6 September 2006

Agenda



- » **GROUP ACHIEVEMENTS**
- » H1 2006 BUSINESS PERFORMANCE
- » H1 2006 FINANCIAL PERFORMANCE
- » ACTION PLANS
- » STRATEGY – BUSINESS DEVELOPMENT
- » SUMMARY

Financial highlights of H1 2006



- » Revenue slightly lower than our expectations at €2,696 M with organic growth at 2.9%
- » Operating margin at €139 M, 5.1% margin rate impacted by UK operations and Italian situation
- » Net income Group share at €10 M strongly impacted by impairment charge
- » Normalised net income at €86 M, representing a normalised EPS of €1.28
- » Net debt at €326 M at the end of June

- » In July, announcement that Group's expectations on annual organic revenue growth and operating margin have been revised
- » Specific action plans in the UK and Italy and ongoing Group's industrialisation plan

Business highlights in H1 2006



- » The main signatures in renewals and new business in H1 were with clients such as :
Symrise, Heijmans, Huntsman, Delta, Dutch Ministry of Defence, Mobistar, Wolters Kluwer, Nuon, Hong Kong Government, EDF, SFR, Club Avantage, EADS, Airbus, Electrocomponents, WM Morrisons, South Wales Police, Caja Madrid, Maroc Telecom
- » Atos Origin is preferred bidder on several bids in the UK for a total TCV of €0.9 Bn :
NHS Diagnostic (2 regions), NHS Scotland, Gateway project, NFUMutual
- » And short listed on other key contracts such as DCA (2 bids) in the UK
- » In July, announcement of the acquisition of Banksys and BCC in payment services

Agenda



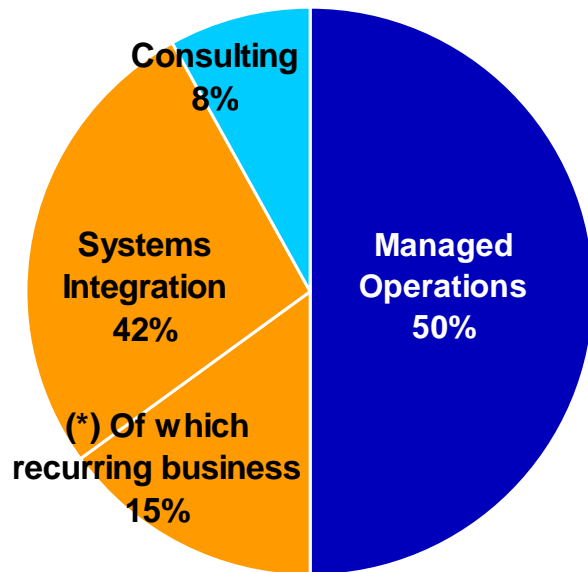
- » GROUP ACHIEVEMENTS
- » **H1 2006 BUSINESS PERFORMANCE**
- » H1 2006 FINANCIAL PERFORMANCE
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Group profile



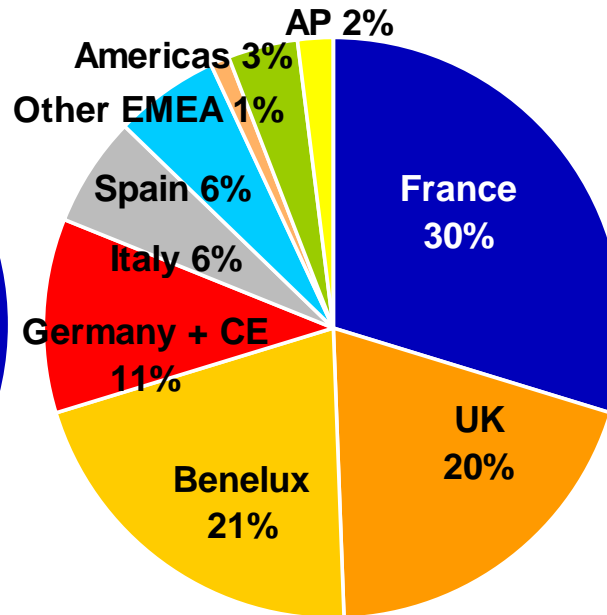
Revenues H1 2006: €2.7 Bn

BUSINESS MIX

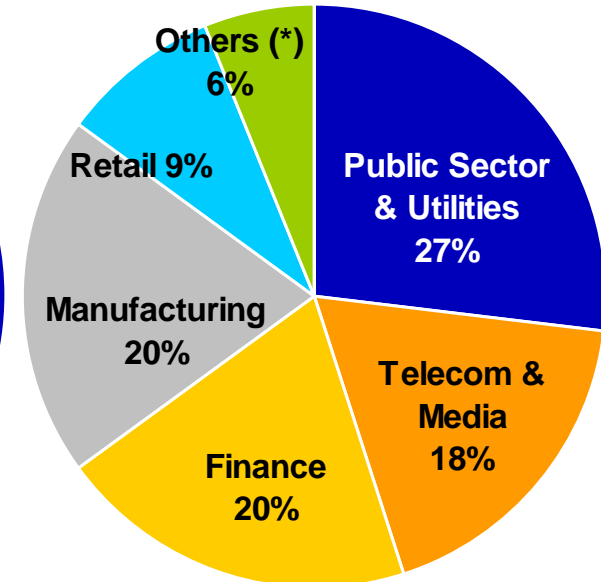


(*) application management in SI

GEOGRAPHY



INDUSTRY



(*) including Transport

4th IT supplier in Western Europe



In EUR million	Market size 2005	Weight 2005	Atos Origin 2005	Market share 2005	Ranking
France	16,718	13%	1,526	9,1%	2
United Kingdom	43,823	34%	1,164	2,7%	9
The Netherlands	8,812	7%	1,025	11,6%	1
Germany + Central Europe	27,897	21%	557	2,0%	8
Italy + Greece	9,585	7%	300	3,1%	7
Spain	6,693	5%	272	4,1%	5
Rest of Europe	16,742	13%	201	1,2%	
Group Western Europe	130,270	100%	5,045	3,9%	4
Consulting	15,442	12%	449	2,9%	4
System Integration	49,554	38%	1,340	2,7%	5
Managed Operations (*)	65,274	50%	3,256	5,0%	4
Group Western Europe	130,270	100%	5,045	3,9%	4

Sources : Company information for Atos Origin and IT Services Europe Preliminary Market Share Gartner May 2006

(*) Including Application Management

Strong clients base



Strong client base



- » Strong fertilization on existing clients
- » Top 100 accounts, well balanced by industry sector, represent more than 70% of revenues
- » Full backlog at the end of June at €7.2 Bn, representing 1.4 years' revenues
- » Full qualified pipeline at the end of June at €2.8 Bn (excluding major deals), an increase of +44% since 1 year
- » Book to bill ratio (excluding long-term BPO business) in H1 2006 at 96%, impacted by delays in key contracts

% coverage of Sector revenues by key clients		Revenues by sector	Revenue % organic growth
78%	Public Sector & Utilities	714	+2.9%
85%	Telecoms & Media	484	+0.2%
64%	Financial Services	549	+19.5%
62%	Manufacturing	533	+0.2%
60%	CPG & Retail	250	-5.3%
52%	Others (ie Transport)	165	-11.2%
70%	Total Group	2,696	+2.9%

Main commercial wins in H1



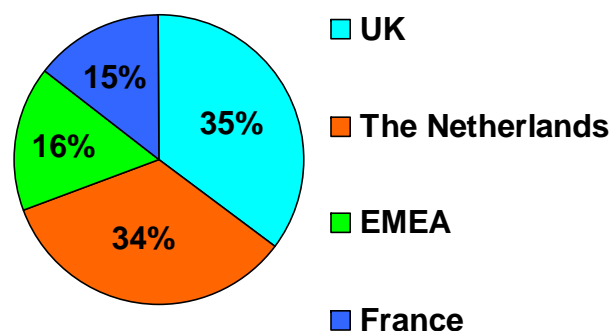
France	SFR, EDF, Club Avantages, EADS, Airbus, Banque de France, Agence de l'eau Seine Normandie, BNP-Paribas, Bibliothèque Nationale de France, Arcelor, Renault, Société Générale
United Kingdom	UK Crown Prosecution Services, South Wales Police, Electrocomponents, NHS Walk-in Centre at Canary Warf and Manchester Picadilly, Wm Morrisons, British Department of Health, NFUMutual
Belux	Nuon Belgium, Mobistar, Wolters Kluwer, Heijmans, Huntsman, Dutch Ministry of Defense, ING Memorandum of understanding, Delta, Speer, Air Miles, Ideal
Germany and Central Europe	Symrise, Gasunie Trade & Supply, Air Berlin, Landesbank Berlin, Amadeus Germany, Bank Verlag, Loyalty Management NLs
Rest of the World	Italian Chambre of Commerce of Naples, Eurosportello project, Caja Madrid, Maroc Telecom, Hong Kong Government, Huntsman Corporation US, International Air Transport Association US

Consulting



In € Millions	H1 2006	H1 2005	% Change	% Organic
Revenue	206	227	-9.0%	-6.9%
Operating margin	22.8	33.9	-33%	
Operating margin rate	11.0%	14.9%	-3.9 pts	
Headcount at closing (Jun/Dec)	2,776	2,734	+2%	

Operating margin before allocation of Group structures' costs



- » Weak performance entirely due to a shortfall in new business in the UK to replace the MOD ramp down
- » Organic revenue growth in H1 excluding UK : +7.7%
- » Operating margin impacted by UK operations, but same good level of margin rate for the rest of the Group
- » Improvement of the utilisation rate in Q2

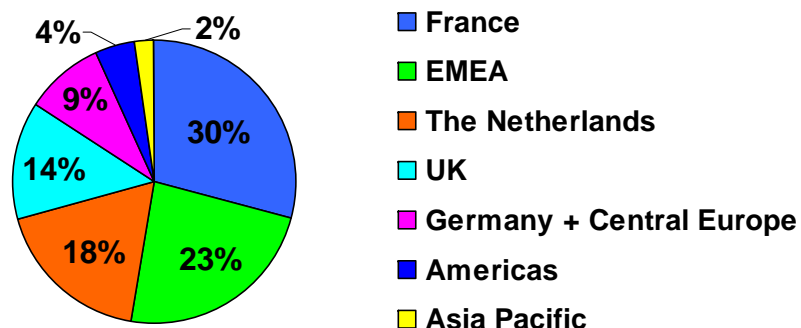
	Total Co	Of which UK
Jun-06	66%	59%
Mar-06	65%	56%
Dec-05	68%	66%

Systems Integration



In € Millions	H1 2006	H1 2005	% change	% Organic
Revenue	1,131	1,134	-0.3%	+3.4%
Operating margin	34.7	65.7	-47%	
Operating margin rate	3.1%	5.8%	-2.7 pts	
Headcount at closing (Jun/Dec)	24,218	23,721	+2%	

Operating margin before allocation of Group structures' costs



- » Steady growth of +3.4%, with active new business
- » Thanks to better volumes, prices broadly stable, in spite of reduced number of working days in Q2, and delivery delays in a few government legacy contracts in UK with an impact in turnover of € 15M
- » Organic revenue growth in H1 excluding UK : +6.3%
- » Operating margin strongly impacted by new estimate of costs to complete on these UK contacts (€ 25M)
- » Operating margin of the rest of the Group : 5.1%
- » Good level of utilisation rate at 82% (81% in Dec-05), in spite of only 77% in UK

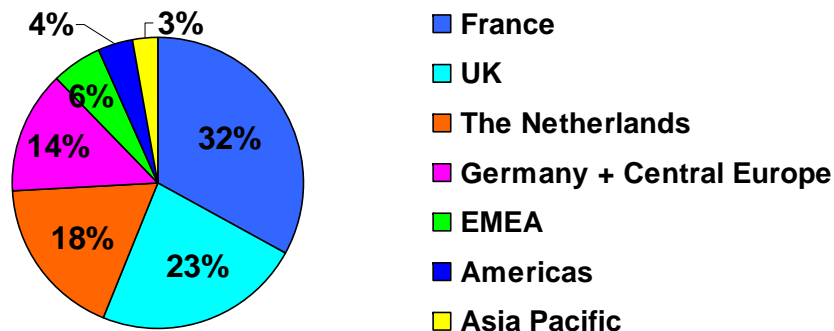
Managed Operations



In € Millions	H1 2006	H1 2005	% change	% Organic
Revenue	1,359	1,364	-0.4%	+4.2%
Operating margin	116.8	113.6	+3%	
Operating margin rate	8.6%	8.3%	+0.3 pts	
Headcount at closing (Jun/Dec)	20,575	21,036	-2%	

- » +4.2% organic revenue growth in H1 with a strong +8% in Q2 coming from all countries
- » Thanks to continued fertilisation and penetration of existing clients combined with a myriad of new medium-size contracts
 - +6% in IT outsourcing, but excluding the one-year call center and the winding down of Metropolitan Police (both in UK), business would have grown by +11%
 - +5% in Atos Wordline confirming the Group's strategy to reinforce this business
 - -12% in BPO, but excluding the lower volume in DTI in UK, growth would have been +7%
- » Reasonable 8.6% margin rate has been maintained

Operating margin before allocation of Group structures' costs



Performance by service line



In € Millions	Revenue			Operating margin		Employees
	H1 2006	H1 2005 (*)	% Organic	H1 2006	H1 2005	End of June 2006
Consulting	206	222	-6.9%	11.0%	14.9%	2,776
Systems Integration	1,131	1,094	+3.4%	3.1%	5.8%	24,218
Managed Operations	1,359	1,304	+4.2%	8.6%	8.3%	20,575
Corporate				-1.3%	-1.1%	192
Disposals & Exchange rates		106				
Total Group	2,696	2,725	+2.9%	5.1%	6.7%	47,761

Corporate costs shown as a % of total revenue

(*) Organic : at constant scope and exchange rates

Operating margin by service line before allocation of Group structures' costs

Performance by geographical area



In € Millions	Revenue			Operating margin		Employees
	H1 2006	H1 2005 (*)	% Organic	H1 2006	H1 2005	End of June 2006
France	809	731	+10.6%	6.5%	7.7%	14,336
United Kingdom	541	587	-7.8%	5.1%	8.3%	6,385
The Netherlands	519	505	+2.8%	10.3%	11.7%	8,273
Germany + Central Europe	289	273	+5.8%	6.4%	5.6%	3,859
Rest of EMEA	375	353	+6.2%	3.6%	5.7%	9,377
Americas	98	101	-3.1%	5.1%	0.7%	2,516
Asia Pacific	65	69	-5.6%	5.7%	8.6%	2,823
Corporate				-1.3%	-1.1%	192
Disposals & Exchange rates		106				
Total Group	2,696	2,725	+2.9%	5.1%	6.7%	47,761

Corporate costs shown as a % of total revenue

(*) Organic : at constant scope and exchange rates

Operating margin by geographical area before allocation of Group structures' costs

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Revenue performance in H1 2006

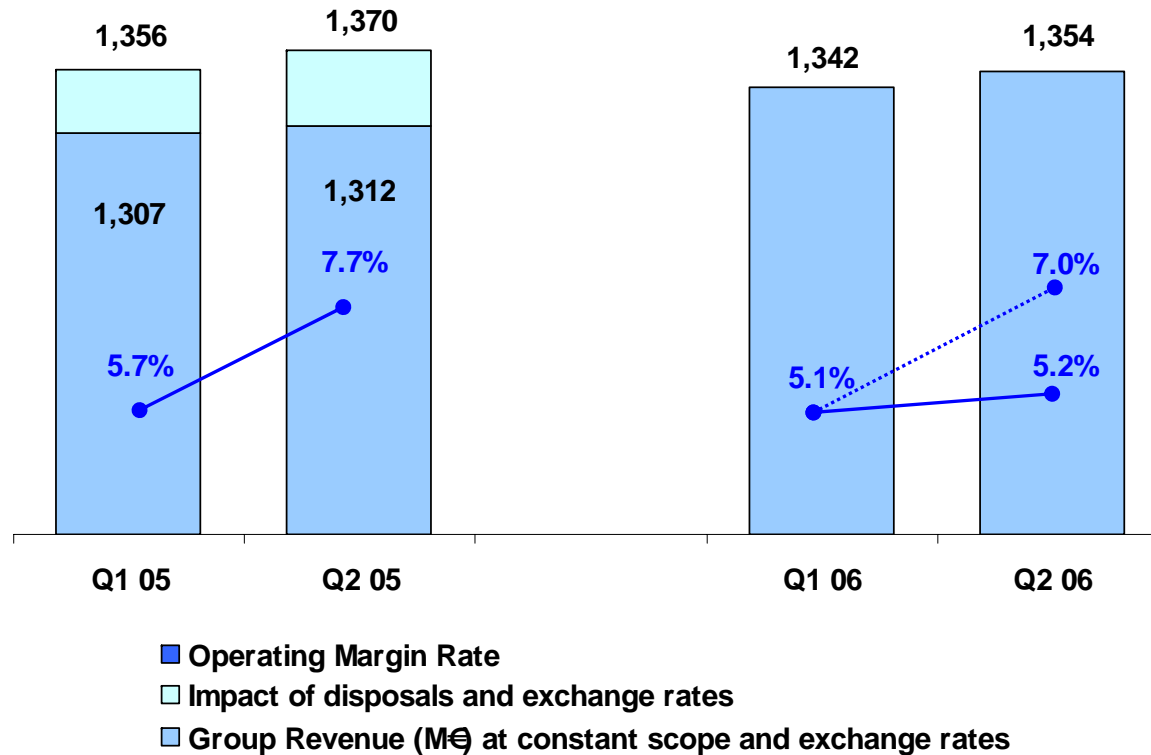


- » Disposals of Nordic and Middle-East operations
- » Exchange rates impact from dollar-linked currencies and Brazilian real

In € Millions	H1 2006	H1 2005	% Change
Revenue reported for H1 2005	2,696	2,725	-1.1%
Disposals		-119	
Exchange Rate impact		+12	
Organic growth	2,696	2,619	+2.9%

- » +2.9% organic growth with +2.7% in Q1 and +3.2% in Q2
- » +6% organic growth in H1 excluding UK

Quarterly results



- » Excluding the impact of the new estimate of the costs to complete in SI in the UK, OM improved by 2 points between Q1 and Q2, in line with expectations

Income statement



In € million	H1 2006	H1 2005	Comments
Revenue	2,696	2,725	+2.9% organic growth
OMDA	222	217	8.2% of revenues
Operating margin	139	183	5.1% of revenues
Reorganisation and rationalisation	(8)	(36)	Limited reorganisation
Gain (loss) on disposals	(1)	52	54M€ Nordic business in 2005
Impairment losses on LT assets	(60)	(9)	Italy impairment charge
Other operating income/expenses	(6)	14	Claims & litigations
Stock option charge	(6)	(7)	
Operating income	59	196	2.2% of revenues
Net cost of financial debt	(11)	(16)	5.3% cost of debt (before interests swaps)
Other financial income - expenses	6	(17)	Income from return on pension plan assets
Net financial expenses	(5)	(32)	
Tax charge	(35)	(39)	Effective tax rate 31.0%
Net income	18	125	
Group share	10	121	0.4% of revenues
Minority interests and affiliates	8	4	
Weighted average number of shares	67,42	67,05	
Basic EPS (euros)	0,15	1,81	
Normalised basic EPS (euros)	1,28	1,68	

Cash flow statement



In € Millions	H1 2006	H1 2005	Comments
Cash from operating activities	189	157	7.0% of revenues, +20% increase
Income tax paid	(9)	1	Tax payment more in H2
Change in working capital	(197)	(106)	DSO 69 days / seasonality effect
Net cash from operating activities	(17)	53	
Capital expenditure	(96)	(81)	3.5% of revenues
Disposal of fixed assets	1	1	
Net cash from current operations	(112)	(28)	
Other changes	(25)	15	FX rates / Common stock / Interest paid
Net cash before financial investments	(137)	(13)	
Financial investments	(15)	(17)	Instalments on previous acquisitions and equity investments
Disposal of financial assets	7	158	Limited businesses suc as Nolan Norton
Net cash flow	(145)	128	
Opening net debt	180	492	
Closing net debt	326	363	

Balance sheet



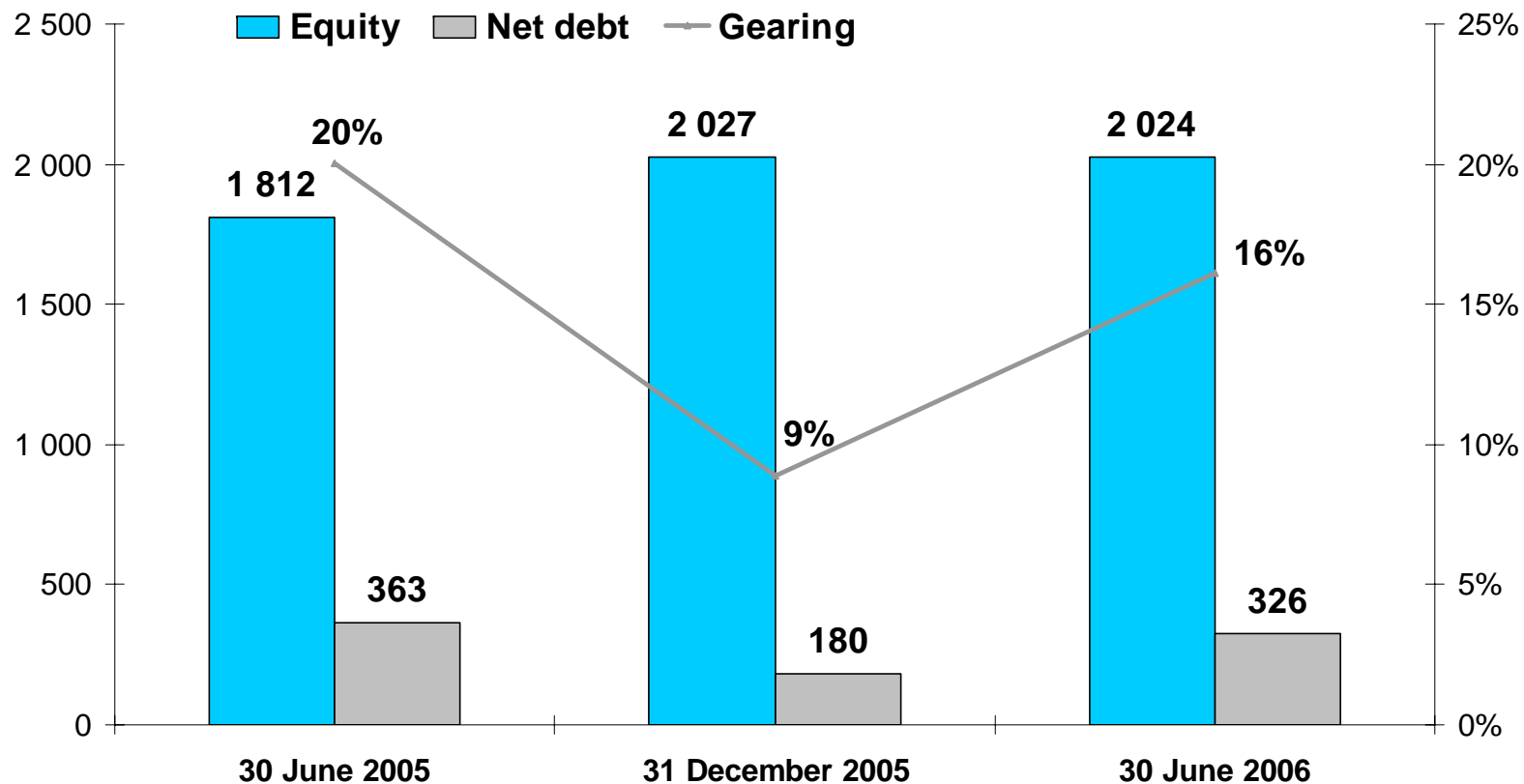
In € Millions	30 June 2006	31 December 2005
Goodwill	2,093	2,172
Fixed assets	479	432
Working capital	248	67
Deferred tax	240	245
Net assets held for sale		21
Capital employed	3,059	2,937
Equity	2,024	2,027
Pensions	491	478
Current Provisions	87	105
Non-current Provisions	132	148
Net debt	326	180
Sources of Capital	3,059	2,937

Bank covenants



Substantially within existing bank covenants

- » Leverage ratio (net debt / OMDA) H1 2006: 0.7 covenant < 2,5
- » Interest cover (operating margin / cost of debt) H1 2006: 12x covenant > 4x



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UK action plan



- » Atos Origin UK was engaged since 2 years in a major business reorganisation to create a fully-fledged “design, build and operate” organization, while establishing 4 service lines
 - Consulting
 - Systems Integration
 - Managed operations
 - BPO Medical services
- ➔ dual positioning: “best-in-class” service line capability combined with ability to aggregate “design, build and operate” proposition
- » Several specific commercial actions are being implemented to strengthen the commercial effort:
 - Increasing the commercial capacity of the consulting operations with the recruitment of new Consulting partners
 - Reorganizing the UK Systems Integration sales teams, pushing dedicated sales teams down in to business units for more reactivity and speed to market, while maintaining large account management at UK level,
 - Rebalancing the public / private sector mix, currently at 62%



Italian restructuring to ensure sustainable profitability in the future

- » Deterioration of market environment
- » Despite H1 organic revenue growth in Italy +4%, inadequate profitability
- » Discussions with the working parties this summer
- » Implementation of restructuring programme by Q4 :
 - Reduce management layers by taking out top tier
 - Re-profile skill mix towards high growth specialities
 - Reduction of about 8% of the workforce
 - Reduction of subcontractors
- » Cost of restructuring : EUR 20 million

Agenda

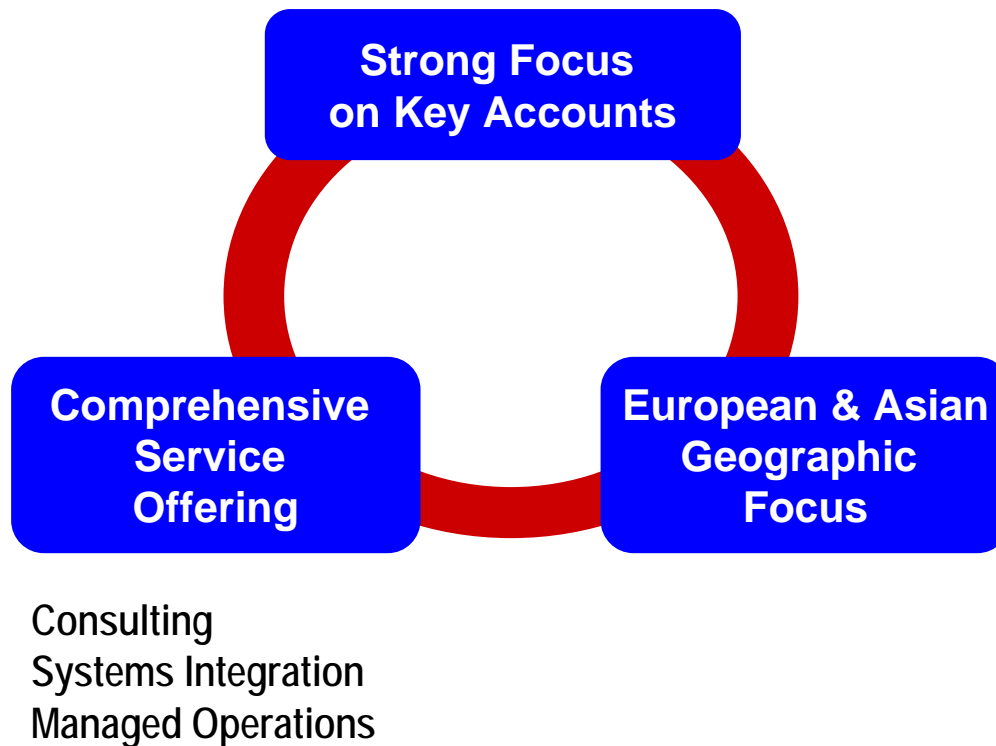


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A 3-pillar strategy



Strategic Focus



Development Axes

Offshore Strategy

Operational efficiency
Follow customer needs
Develop Asian footprint

Specialised Activities

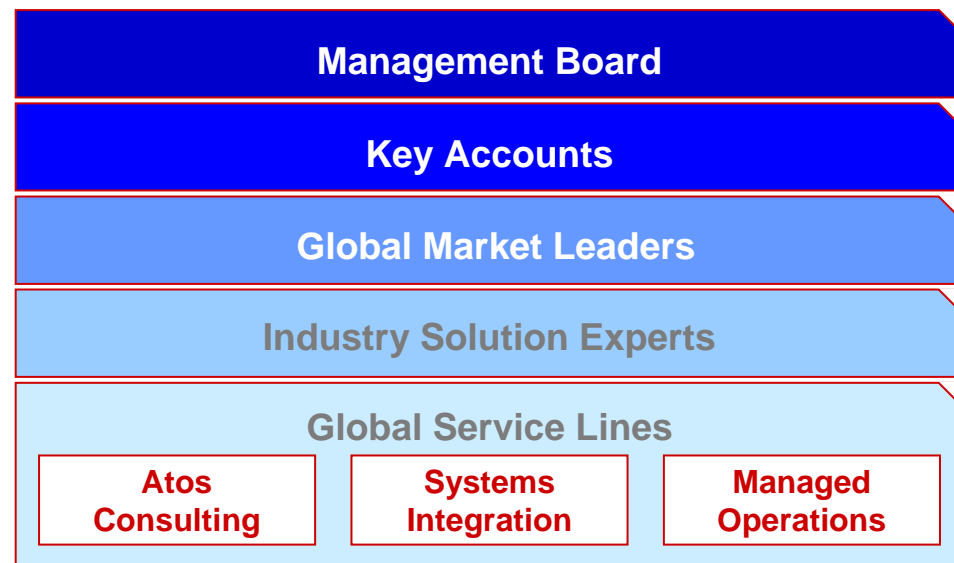
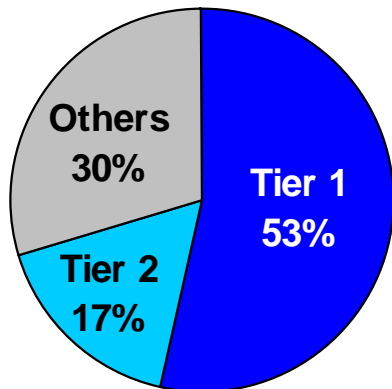
Capital Markets & Exchanges
Payments
Healthcare

Clients : creating long-term relationships & partnerships



- » Continued focus on growing our key accounts
- » Accompany our clients as they globalize
- » Emphasis on long-term relationships
- » Leverage strong industry sector focus and experience

Revenue breakdown by client



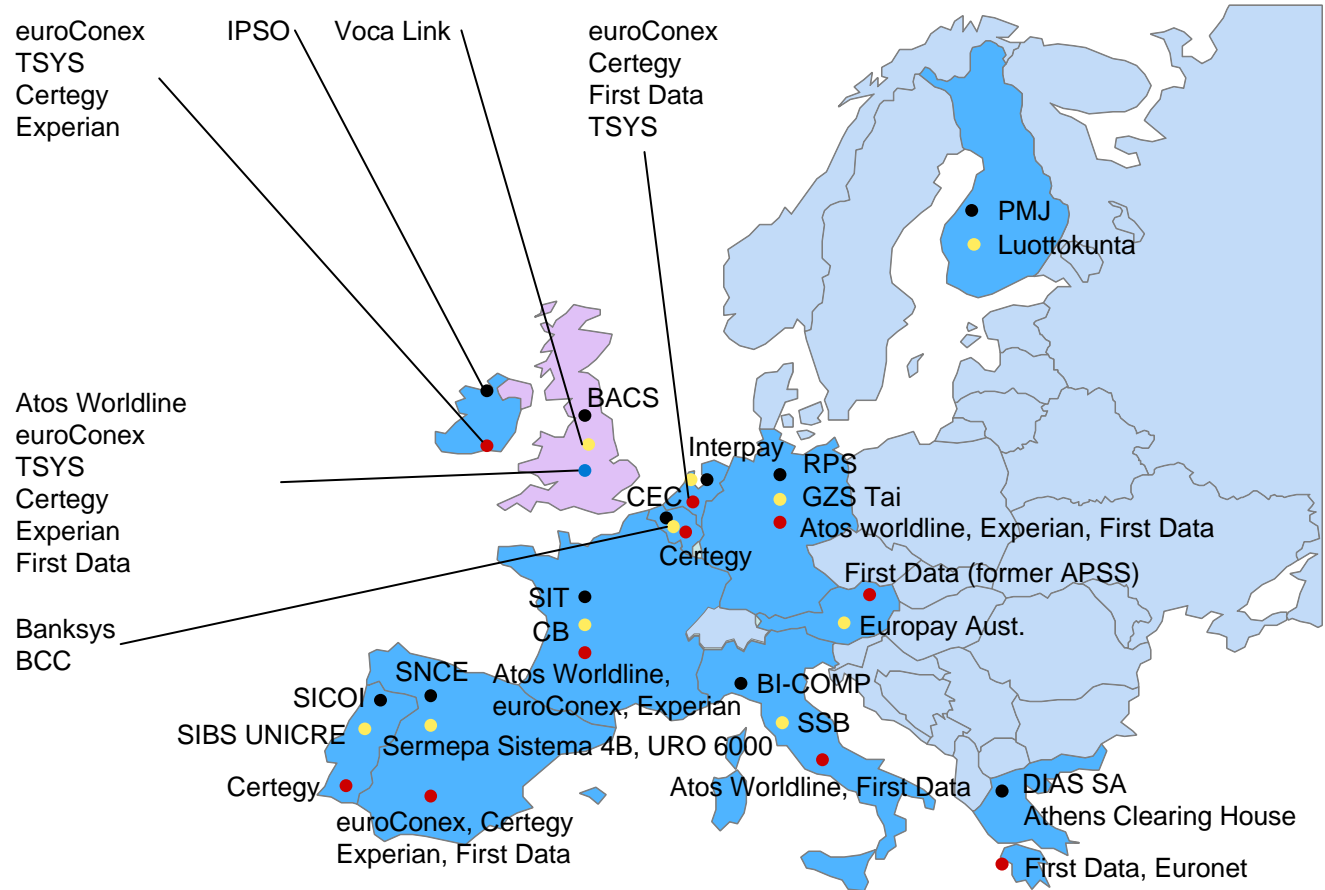
In a highly fragmented payment landscape mature for consolidation...



Most processors are domestic players and nowhere near critical mass today

Payment processors will be under **increased price-quality pressure** requiring scale

- EU 12, euro area
- United Kingdom
- ACH
- Interbank processor
- Third party processor



Introduction of a Single Euro Payments Area (SEPA)



SEPA will drive the consolidation of the payment industry

Market context

- » **Payments are big business:** costs of payments (incl. cash) represent 3-4% of GDP⁽¹⁾
- » **This market** has so far been **very protected:** most players are **bank subsidiaries** which have been **little exposed to competition**
- » The current **market landscape** remains **fragmented, each country** has its **own payments standards** and practices
- » **Cross-border payments** have **increased** since the introduction of the Euro but still only represent 2-3%

Strategic ambitions of SEPA

Implementation of a **pan-European payment infrastructure**

Implementation of **exchange systems** adapted to the European market

SEPA

Implementation of a **legal framework**

Standardization and optimization of costs

Expected impact of SEPA

- » A **unique payment zone** allowing to deliver a **better service** to the European customer
- » **Improved efficiency and transparency** with regard to fees
- » **Market consolidation and specialization** of players due to **heavy investments** required for SEPA compliance
- » **Spin-off of captive companies** from banks
- » **New entrants** on domestic markets and **increased competition**

(1) Commission of the European Communities, « Working Document for the Preparation of an impact Assessment on a Proposal for a Directive Concerning a New Legal Framework for Payments in the internal Market, 2005 »



Deal overview

- » Acquisition of Banksys & BCC
 - » Acquired business (2005):
 - revenues €309 M Belgian GAAP
 - 1,100 employees
 - » Payment Business
 - Debit & Credit Processing
 - Terminal business
 - Loyalty Card processing
 - » Strong and recognized brand name on the Belgian market
 - » 5 year binding commercial commitment with 4 major shareholders (Fortis, Dexia, ING, KBC)
- » Cash transaction for undisclosed amount
 - » Under condition of Competition Authorities
 - » We become a shareholder in a JV for pan-european processing (SINSYS)
 - » Joint activities
 - €600 M revenues
 - 3,800 employees
 - European Leader
 - Footprint in France, Belgium, Germany, UK, Spain, Italy

Build the #1 Payment Processor in Europe

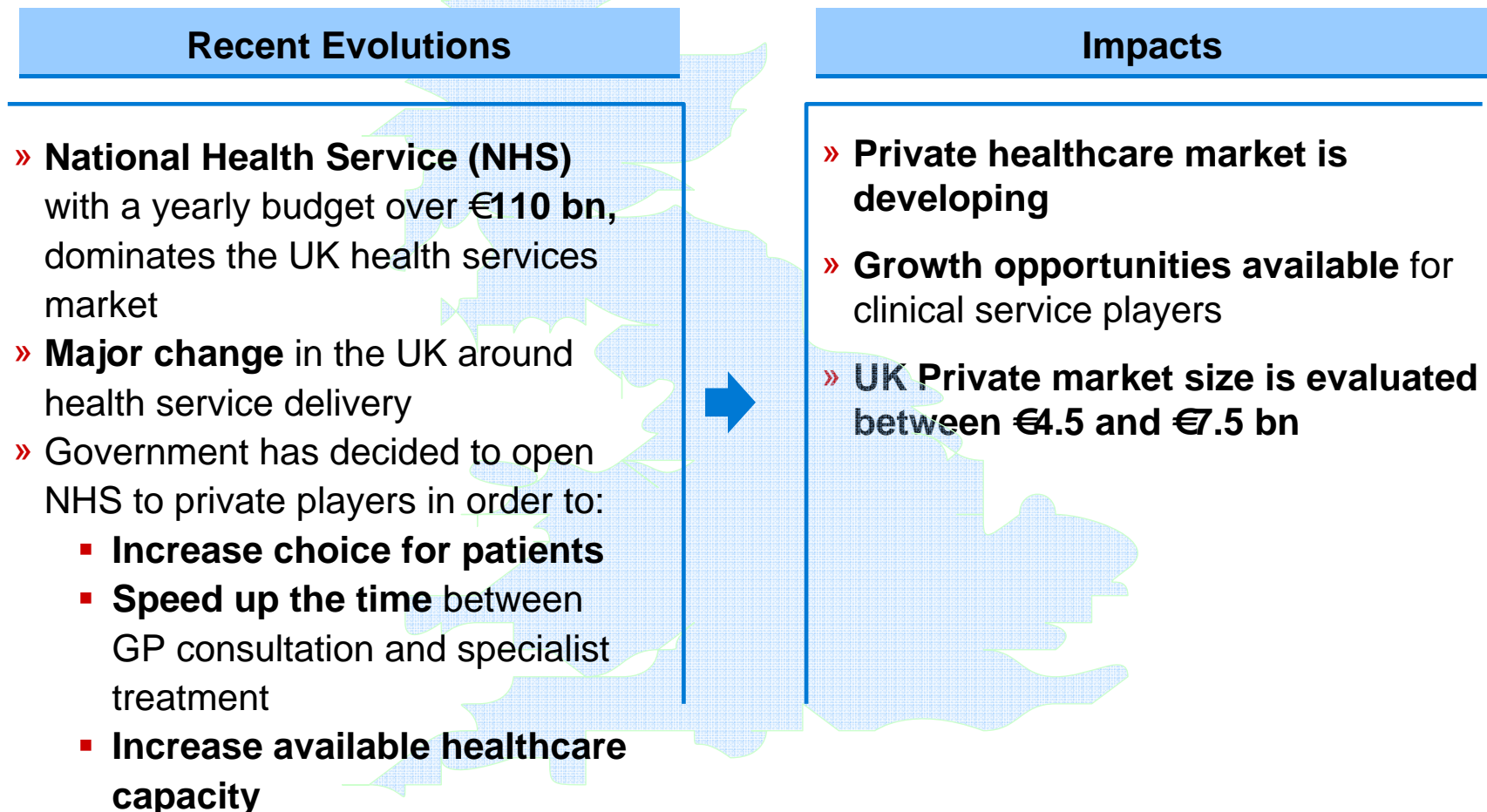


- » Transaction volume to 10 billion per annum
- » Strong presence in core countries
- » Major European banks as key clients
- » High quality end-to-end service offering
- » Key partners
- » Strong partner in regulatory and standards committees

Recent market evolutions



Recent market evolutions create opportunities for commercial players



Atos Origin Medical Services: some figures



- » Preventive care for over **500 000 employees** :
 - **UK's largest Occupational Health service provider**
- » Over **470** employed **Healthcare Professionals**
- » Over **2,000** **associate doctors and nurses**
- » **250** **medical centres** across the UK
- » **750,000** **capability assessments** for the DWP per annum
- » **600,000** **mineworkers assessed** for the Department of Trade and Industry



Why we are unique



- » Only UK Company that delivers Consulting, IT and Healthcare BPO
- » True National Scale and Capability
 - We deliver anywhere
- » Size and Quality of our employed medical workforce
 - High Quality of Outcomes for the customer
- » Enablement of our Service Delivery Platform
 - Speed of service to customers,
 - Ease of doing business with us
- » Reputation for Delivery
 - We are Trusted
- » New Entrant with Fresh Approach for the NHS



Four types of Medical Services



NHS Walk-in Centers	Diagnostics Centers	Occupational Health	Medical Assessments
---------------------	---------------------	---------------------	---------------------

Our mission

- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> • Primary care centres in busy areas or business centres • Adapt the healthcare offering to modern life | <ul style="list-style-type: none"> • Managing Town-Centre Technical Centres (CT, X-Ray, Ultrasound, MRI, , Dexa, Mammo, Lung function...) • Increase rapidly the service capacity | <ul style="list-style-type: none"> • Proactive prevention • Decreasing the amount of sick days | <ul style="list-style-type: none"> • General Incapacity and Disability assessments for Department for Work and Pensions • Medical risk assessments for insurers, |
|---|---|---|--|

Our Clients

 	   <p>Private and public employers</p>	   
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Atos Euronext Market Solutions



Leading technology provider to capital markets

- » Major expansion of the partnership with Euronext 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
- » Annualised revenues of €350 M with 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,...)

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A client-centric company with global operations



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

- » BOOST PERFORMANCE
- » REDUCE COST
- » INCREASE AGILITY
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WORLDWIDE IT PARTNER



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Paris, 6 September 2006

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» **APPENDIX**

Staff evolution



- » Underlying stability compared with +3% revenue growth
- » Hiring : 4,600 new employees, 10% of opening workforce, in line with the level of last year
- » Staff turnover at 11.7% in H1-06 compared with 10.5% in 2005
- » Decrease of subcontractors from 7.0% in Dec-05 to 6.5% in June-06

