

# Atos Origin

Investor Presentation

January 22<sup>nd</sup>, 2004

- ➔ • **ATOS ORIGIN 2003 STAND ALONE PERFORMANCE**
- **OVERVIEW OF SEMA GROUP**
- **STRATEGIC RATIONALE AND PROFILE OF COMBINED ENTITY**
- **PERFORMANCE ENHANCEMENTS AND MERGER EXECUTION**
- **TRANSACTION STRUCTURE**
- **STRATEGY AND CONCLUSION**
- **APPENDICES**

# Atos Origin 2003 Stand Alone Results

- Preliminary and unaudited results at this stage
- Revenue slightly down on 2002, at €3,030M
- Operating margin of 8.2%
- Details by service line and geography released today
- Net debt fell significantly to €270M
- Full audited results will be published on March 10<sup>th</sup>

# Atos Origin 2003 Stand Alone By Service Line

M€	2003			2002			% Revenue Growth	
	Revenue	IFO	% Margin	Revenue	IFO	% Margin	Total	Organic**
<b>Consulting</b>	364	26.6	7.3%	175	16.0	9.2%	108%	-21.2%
<b>Systems Integration</b>	1,091	56.0	5.1%	1,243	65.9	5.3%	-12.3%	-9.6%
<b>Managed Operations</b>	1,576	197.8	12.6%	1,626	213.6	13.1%	-3%	-0.7%
<b>Corporate*</b>	-	-31.9	-1.1%	-	-30.0	-1.0%		
<b>Total</b>	<b>3,030</b>	<b>248.5</b>	<b>8.2%</b>	<b>3,043</b>	<b>265.5</b>	<b>8.7%</b>	<b>0%</b>	<b>-5.5%</b>

Note : Based on preliminary 2003 unaudited figures

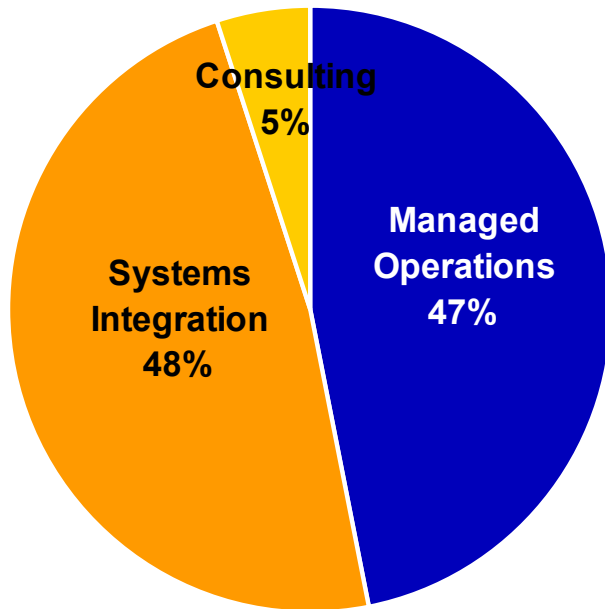
(\*): Margin rate based on total revenue

(\*\*): At constant scope and exchange rates

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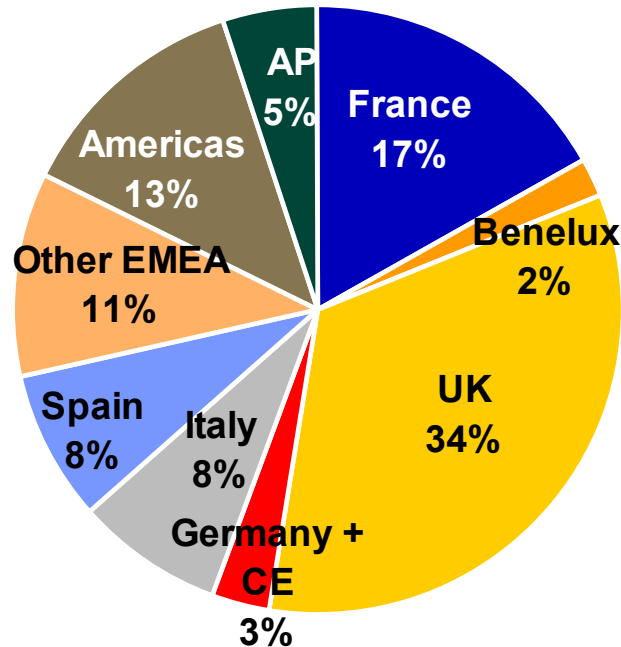
- Established in 1958
- Consulting, Systems Integration and Managed Operations with global capability
- Global presence with European focus: strong positions in the UK, France, Italy, Spain and Asia Pacific
- Effective management of complex systems integration projects
- Solutions to the telecom, finance, transport and utilities: e.g.
  - **High level security system skills**
  - **Serving 120 customers in telecom**
  - **Payment system integration**
- Strong presence in the public sector in the UK and France with dedicated solutions
- More than 50% recurring business
- Long standing relationships with clients
- High visibility contract with the Olympic Games
- The Oil&Gas related activities and Telecom software operations are not part of the transaction

## Service Line



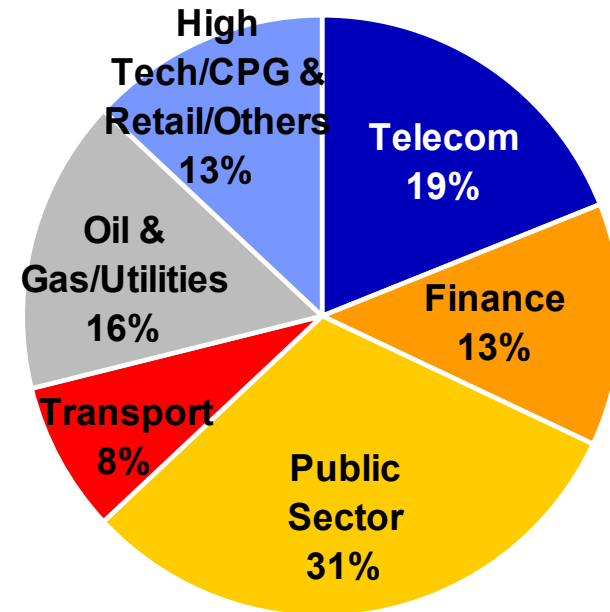
> 50% recurring business

## Geography



Strong European base

## Industry



Key strength in public sector

Note : Based on preliminary 2003 unaudited figures

# Some Reference Activities

Clients	Region	Projects
Metropolitan Police	UK	Managed Services
Dept. of Work & Pensions	UK	Business Process Outsourcing of claimant exams
Telecom	Worldwide	Billing systems for 60M mobile customers
British Rail	UK	National ticketing reconciliation system
Scottish NHS	UK	Infrastructure management
Government Gateway	UK	Common Web interface for 600 government bodies
EDF	France	National grid management system
France Telecom	France, UK	N°1 IT service provider
Banks	Asia	Payment system integration
African Games	Nigeria	Implementation and outsourcing
Energy providers	US	Real time energy management
Texas Health	US	IT management



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## Atos Origin

- 2003 revenue: €3,030M
- Current staff: 26,473

## Sema Group

- 2003 revenue: €2,372M
- Current staff: 20,844

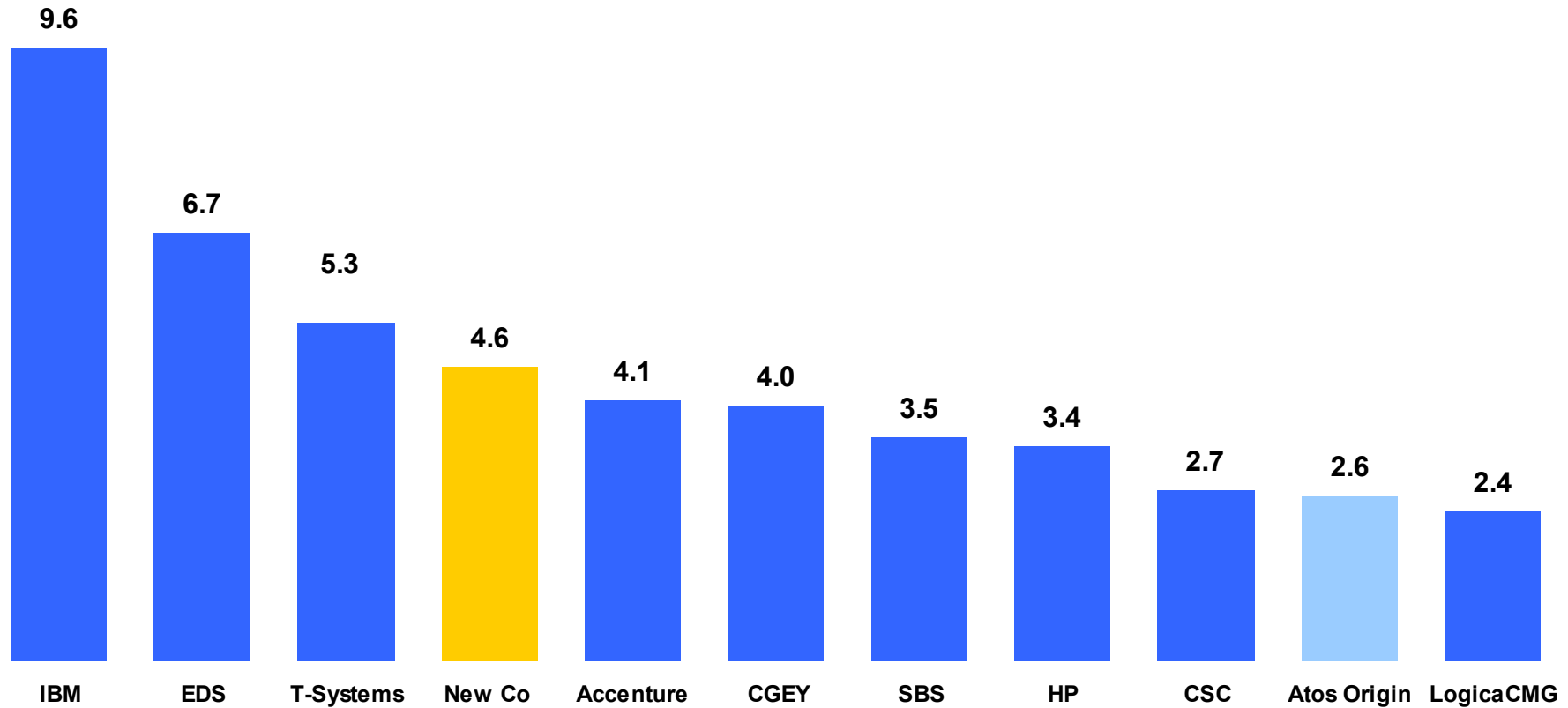
# Creating a World-wide IT Services Leader

## New Co

- 2003 revenue: €5,402
- Current staff: 47,317
- More than 50 countries

# Create the n°1 Listed European IT Services Company

(in B€)



Source: PAC, July 2003 and Atos Origin based on 2002 European IT Services revenue

## Leading Country Presence

- Reaching critical size in the UK (n°4 player) with strong brand recognition
- Strengthened presence in France (n°1 player)
- Leader in the Netherlands
- Critical mass in Spain (n°3) and Italy (n°4)
- Improved position in Asia Pacific and North America

## Complementary Market Strengths

- Quantum leap in the Public Sector, with access to the UK and the NL largest contracts
- Top European positions in Financial Services and Telecom
- Core skills in the healthcare sector

## Excellent Fit of Combined Service Lines and Solutions

- In depth technical skills based on portfolio of repeatable solutions
- Managed operations strengthened in UK, France, NL, Italy, Spain and Asia Pacific
- Strengthened Atos Origin consulting capabilities beyond the UK and the NL

## Outstanding Client Base

- No overlap within the top client lists
- Longstanding relationships with key clients
- Schlumberger as a top customer
- Olympic Games as a key reference client

# Aligned with Atos Origin's Strategy

## Attractive Revenue Synergies

- Ideally positioned in the UK, France and NL Public Sector markets
- Access to the top European deals
- Great strength in the healthcare sector
- Develop further business with Liffe and Clearnet/London Clearing House
- Consulting and outsourcing interaction in the UK
- Enhanced market share at large multinational clients with no significant overlap

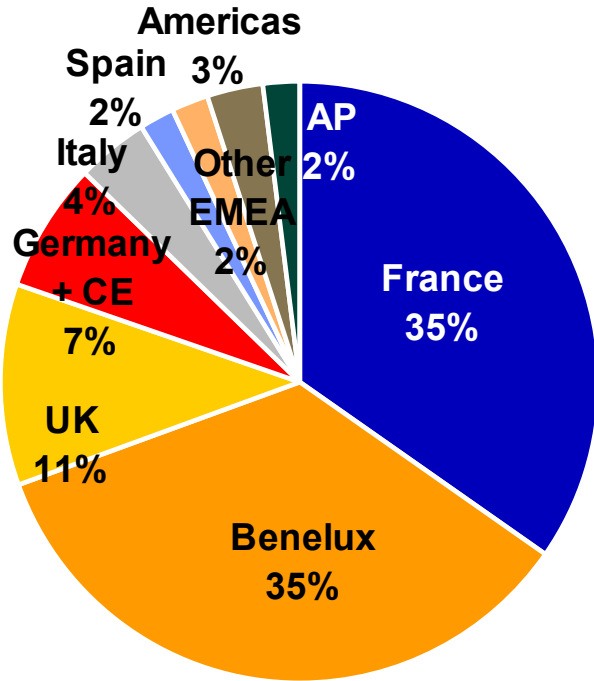
## Significant Cost Savings

- Cost savings of more than €200 M per annum within 2 years
  - 2003 Sema Group restructuring executed and financed by Schlumberger before closing
  - Merger synergies to be achieved within the new Group

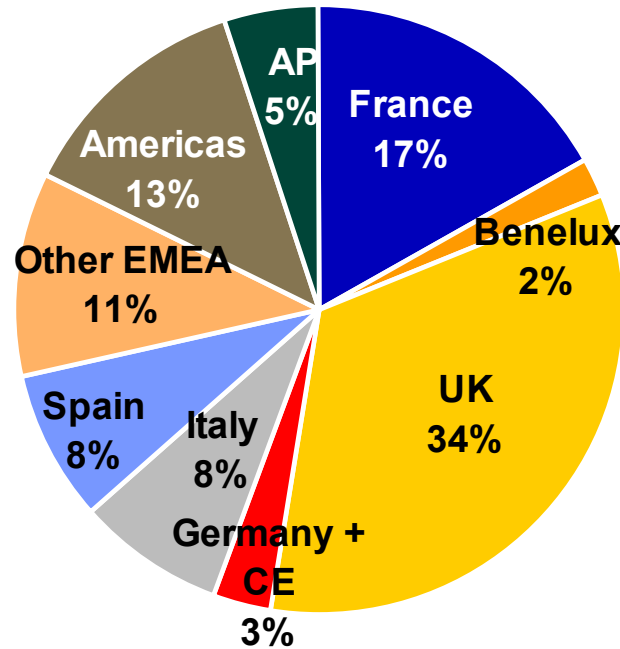
## No Major Risk in Execution

- Sema Group action plan on track
- Complementary activities with no overlap
- Solid track record of Atos management in fast integration of new businesses
- Requires same execution as that applied for the successful Origin merger
- Clear strategy

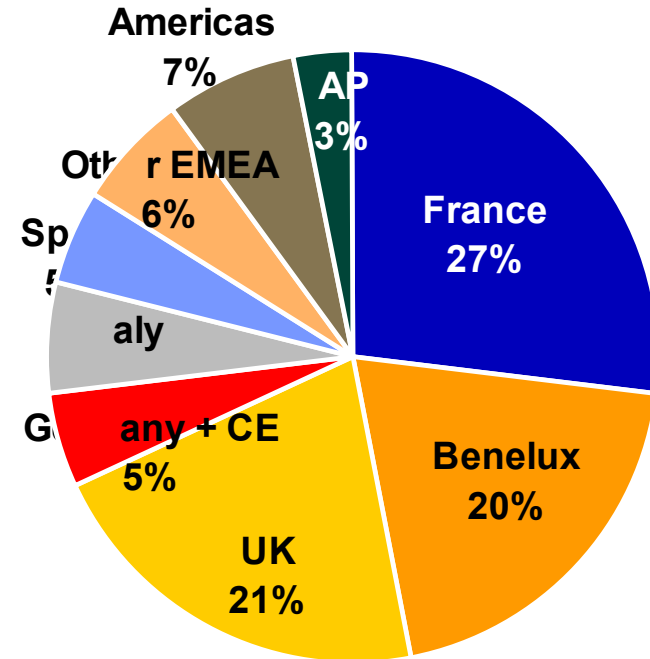
## Atos Origin



## Sema Group



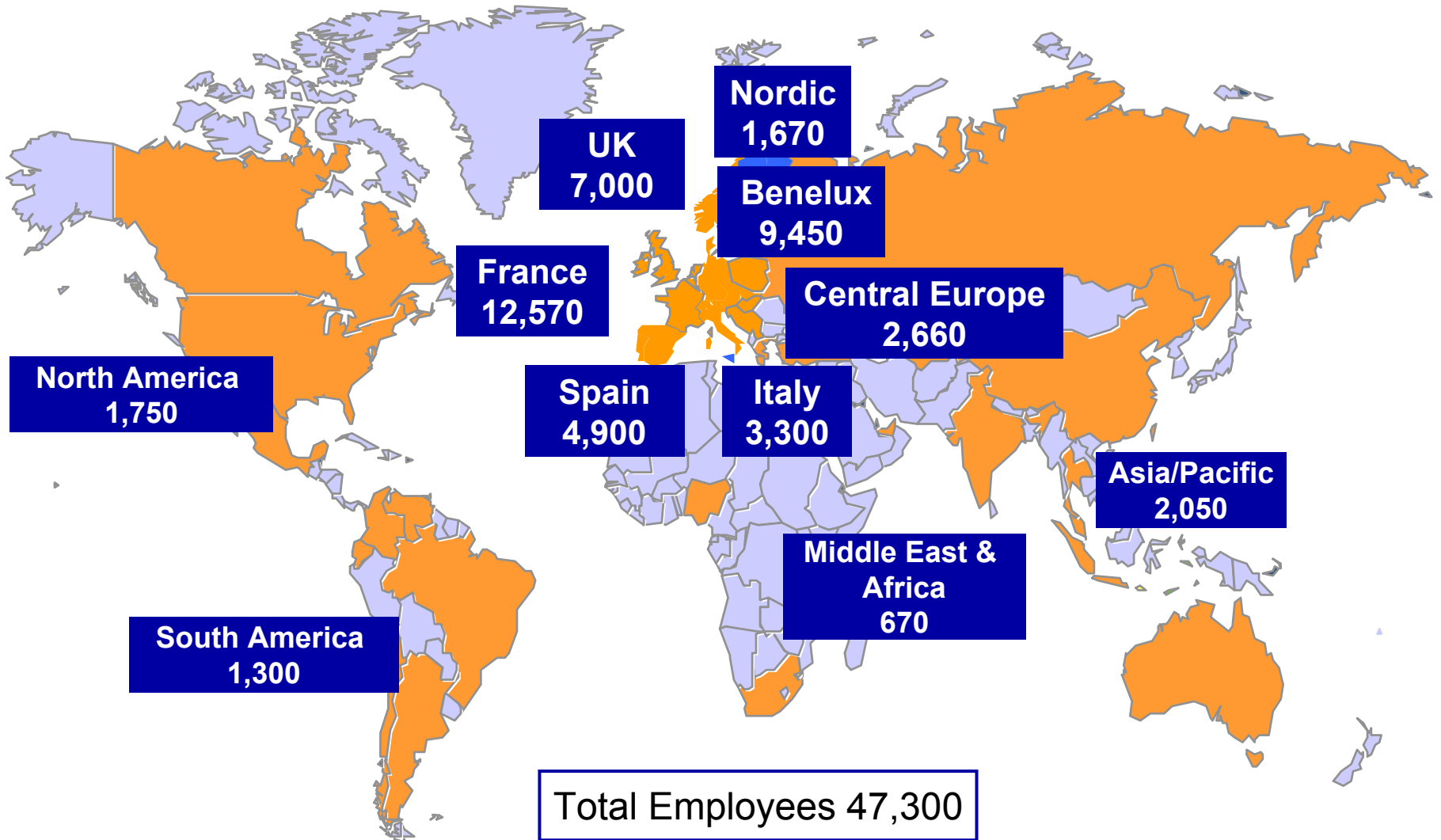
## New Co



2003 Pro Forma Revenue: €5,402M

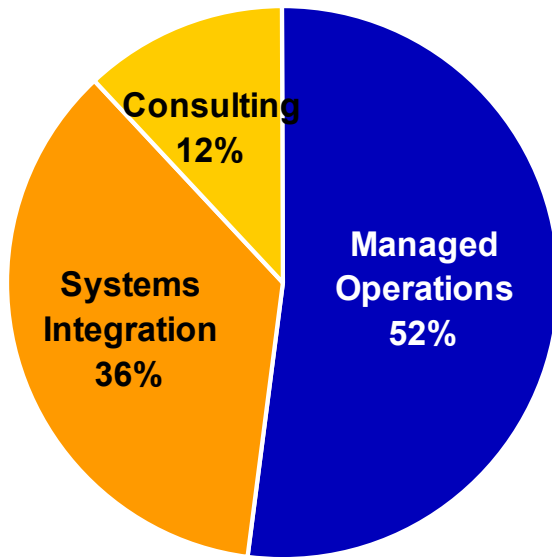
Note : Based on preliminary 2003 unaudited figures

# World-wide Presence

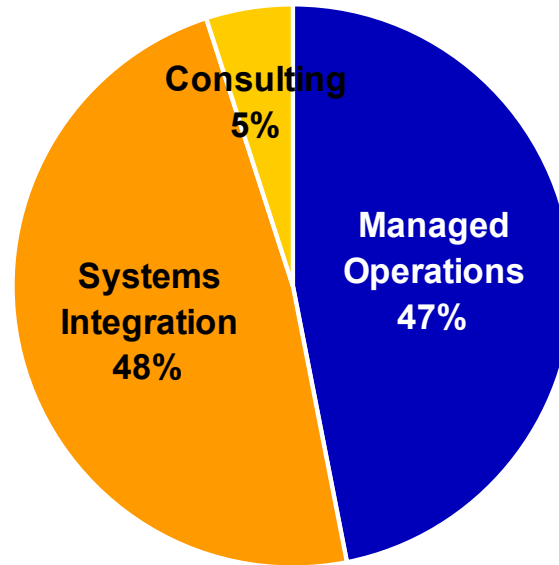


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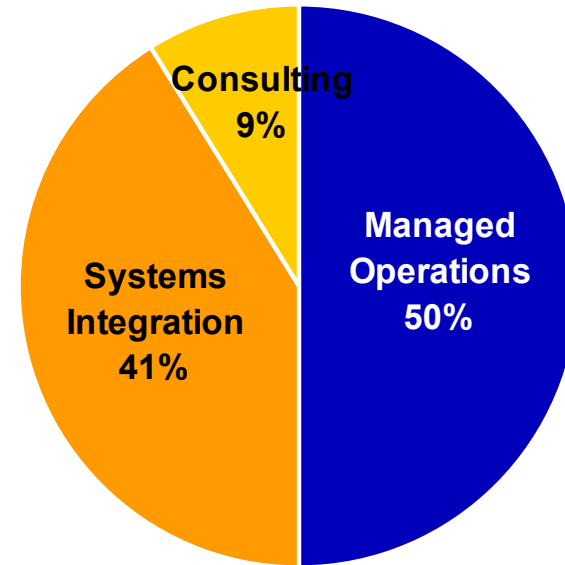
## Atos Origin



## Sema Group



## New Co

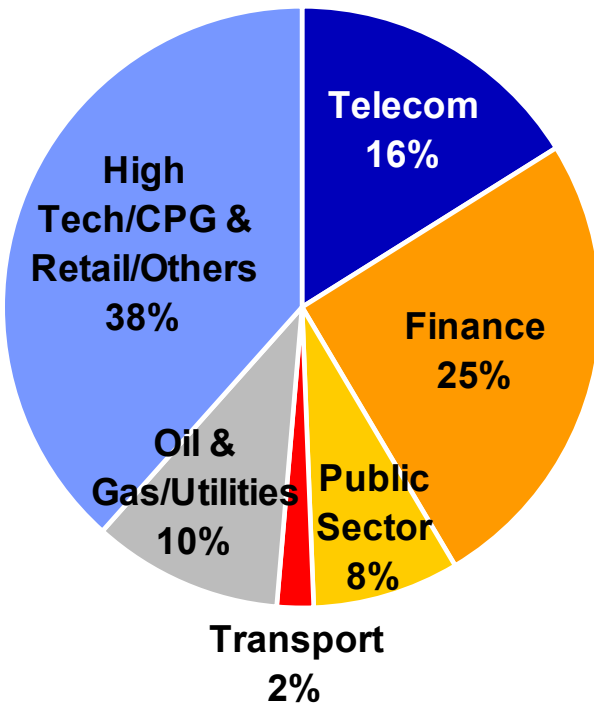


More than 55% recurring business at Newco

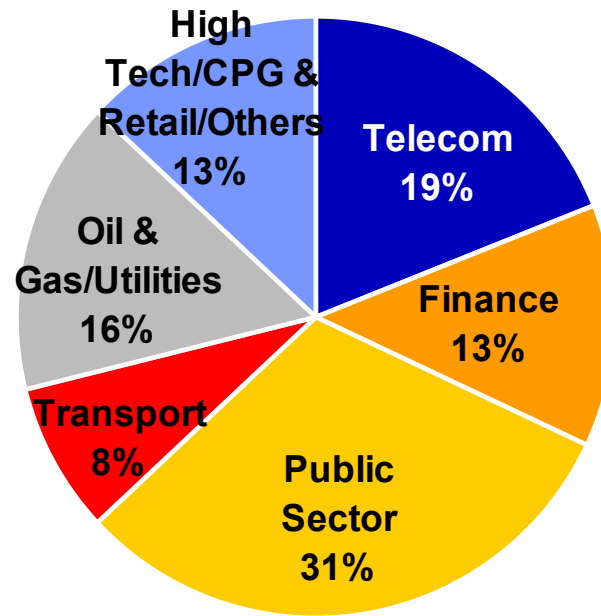
Note : Based on preliminary 2003 unaudited figures



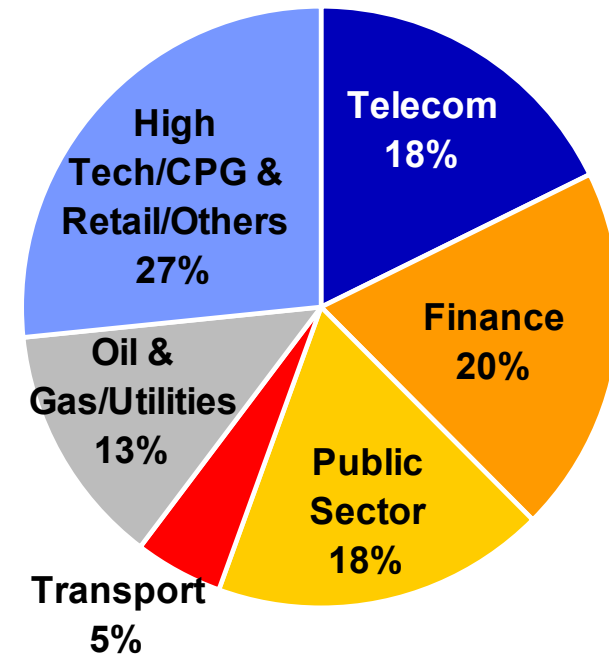
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## Strong track record in mergers

- Strong complementarity / fit
  - Top line synergies
  - Margin improvement
- Clear strategic intent / clear disposal strategy
  - Industry sectors – Clients – Skills & offerings
  - Disposals
- Management structure must be clear
- Communication
  - Internal – Markets – Clients
- Speed of implementation

## 2003 Merger Execution plan

- Deal announcement ✓ September 22, 2003
- Top management structure ✓ Day 1
- 1st line of management ✓ End of October
- Internal roadshows ✓ October
- Key client visits ✓ October - November
- Full commercial review ✓ October
- Budget process ✓ November
- Operational systems review ✓ December
- Expected closing January 2004

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, Atos Euronext, Worldline
Wilbert Kieboom	Benelux, ICA, Scandinavia	Consulting & Systems Integration
Giovanni Linari	Italy, Spain, Middle East, Africa	
Jans Tielman	Human Resources & Communications	

- Revenue synergies
- Accelerated integration plan
  - **Global Accounts Program**
  - **4 Regional Programs**
  - **3 Corporate Programs (Finance, HR, IT)**
- Annualised cost savings estimated to exceed €200M per annum by 2006
- Disposal of businesses with cumulative revenues of up to €500M per annum

- Access to the largest deal opportunities in Europe
- Provide outsourcing capability in the UK and in Asia Pacific
- Exploit Atos KPMG Consulting profile in the UK
- Leverage leadership in financial services and telecom
- Improve market share at large clients
- Bring wider range of offerings to existing clients
- Enhanced capability to complement our global sourcing strategy
- IT services agreement with Schlumberger
  - **Systems Integration projects and infrastructure support services world-wide**
  - **\$700 M in revenue over the next 7 years**
  - **Preferred supplier agreement**

## Accelerated Program

- Go-to-market strategy
  - **Global MS and C&SI offerings launched in Q1 2004**
- Operations management
  - **Detail operational structure in place at closing**
  - **Accelerated staff optimisation**
- Premises and data centre rationalisation
  - **To be fully identified in H1 2004**
  - **To be actioned with effect from Q3 2004**
- Administrative programs
  - **3 Corporate programs (Finance, HR, IT)**
- Restructuring cost will be higher in 2004
- Benefits will flow through faster in 2005



- Market sentiment improving slowly
- Actual client IT spending still constrained
- No significant improvement expected in H1 2004
- Combined reported revenues expected to be stable in 2004 compared with 2003 on a constant scope and exchange rate basis
- Combined operating margin targeted to exceed 7%
- Net debt guidance to be given on March 10<sup>th</sup> 2004 when restructuring plan has been finalised

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<p><b>Consideration</b></p>	<ul style="list-style-type: none"> <li>• <b>Total consideration of €1,287M</b> based on 20-Day volume weighted average price of Atos Origin up to Friday September 19, 2003 (€45.95) comprised of :             <ul style="list-style-type: none"> <li>– 19.3 million Atos Origin shares (19.0 million newly issued and 0.3 million Atos Origin treasury shares)</li> <li>– €400 M cash</li> </ul> </li> </ul>
<p><b>Price Adjustment</b></p>	<ul style="list-style-type: none"> <li>• Adjustment to price if net equity and net working capital targets not attained at closing on a euro for euro basis</li> <li>• Based on audited financials (that will be prepared within 45 days of closing)</li> </ul>
<p><b>Closing</b></p>	<ul style="list-style-type: none"> <li>• Expected end January 2004</li> </ul>
<p><b>Supervisory Board Representation</b></p>	<ul style="list-style-type: none"> <li>• Schlumberger will have 2 representatives (to be voted at the Shareholders' meeting)</li> </ul>

	Before closing			After closing		
	Shares	% of capital	% of voting rights	Shares	% of capital	% of voting rights
Philips	21,321,043	44.5%	44.8%	21,321,043	31.9%	31.9%
Schlumberger				19,300,000	28.9%	28.9%
Threadneedle	2,398,047	5.0%	5.0%	2,398,047	3.6%	3.6%
Treasury	301,293	0.6%		1,293	0.0%	0.0%
Public	23,849,250	49.9%	50.2%	23,849,250	35.6%	35.6%
<b>Total</b>	<b>47,869,633</b>	<b>100%</b>	<b>100%</b>	<b>66,869,633</b>	<b>100%</b>	<b>100%</b>

Note : To the Management Board's knowledge

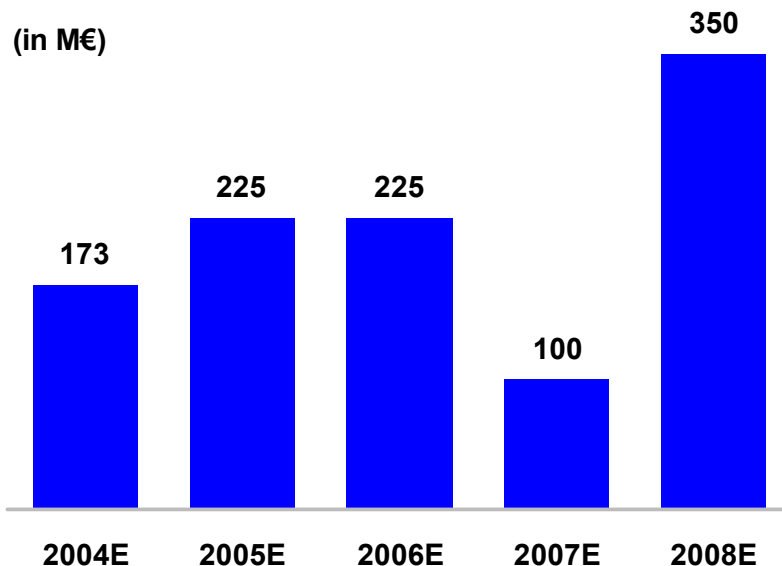
- Schlumberger, Philips and Atos Origin have signed a Liquidity Agreement regarding the potential future sale of Atos Origin shares on the open market
  - **After closing of the Sema Group transaction, Schlumberger may decrease its shareholding in Atos Origin to around 19%\*\***, depending on market conditions
  - **Atos Origin and Schlumberger have agreed, until the date of such placement, to be bound by some customary restrictions such as new equity related issuance, transfer of securities,...**
- Philips has also agreed to a lock-up for a period of four months in order not to cause a material market disruption
- For any placement of shares by Philips and Schlumberger, Atos Origin, Philips and Schlumberger will have to agree on restrictions, taking into account their respective interests

Note(\*): See details in Document E - Section A.2.1.3

Note(\*\*): Exclusive of any over-allotment option

## Transaction Financing

### New Repayment Schedule – Combined Entity



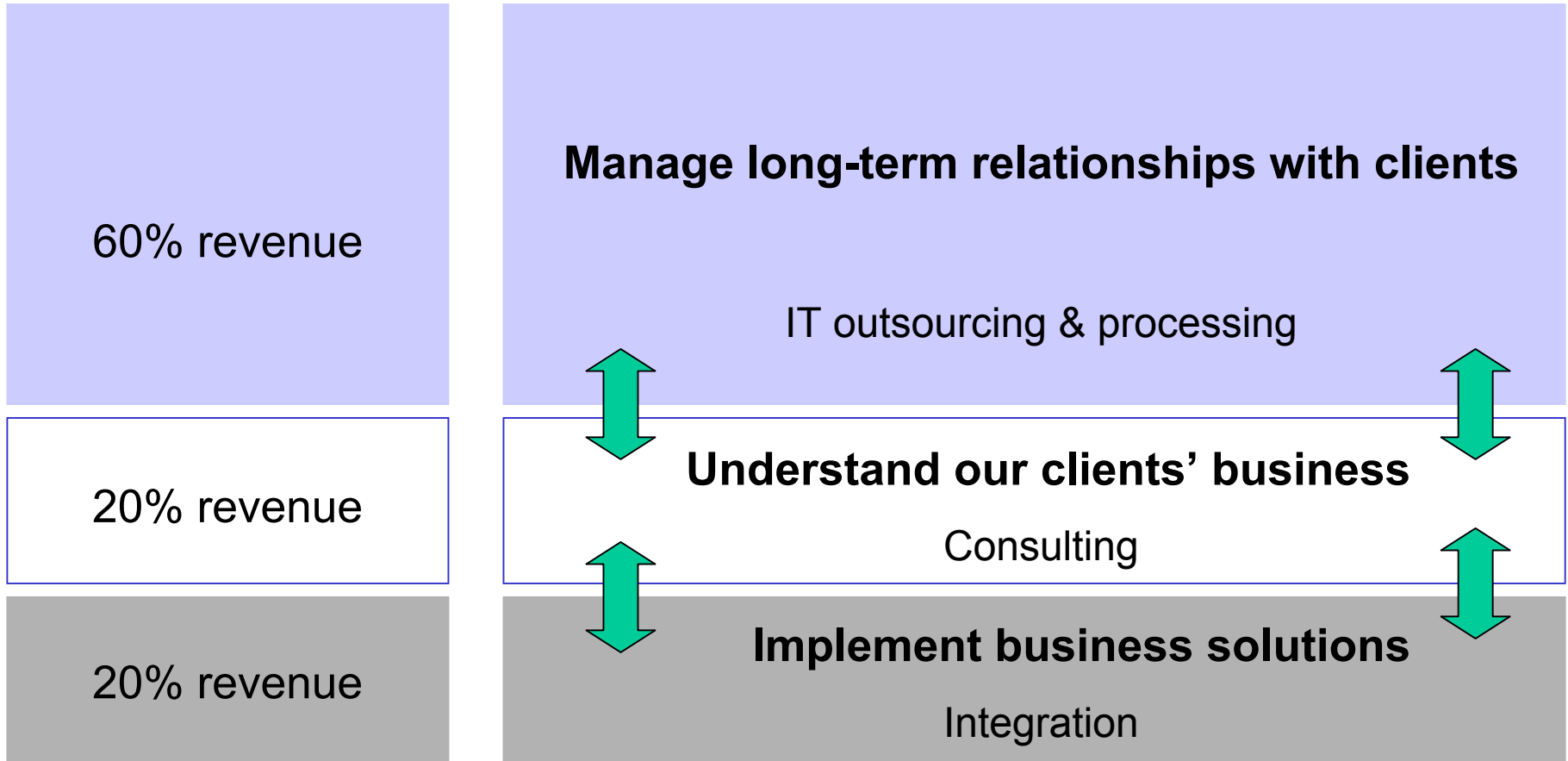
- New €900 M facility fully syndicated by ABN Amro, BNP Paribas and Lehman Brothers
- 18-month grace period on existing facility
- 3 tranches, repaid over 5 years
- Covenants:
  - Net Debt / EBITDA < 1.75x until end of 2004, 1.50x in 2005 afterwards
  - EBITA / Net Interests > 5.0x
- Expected to be well within covenants at closing
  - Net Debt / EBITDA (Combined Pro Forma unaudited figures at December 2003) : 1.23

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

**Build on global presence**





- Creating a European IT leader and a global player
- Very complementary operations
- Well balanced business mix, industry presence, and large client base
- Great reputation for technology and innovation in the IT industry
- Sema Group's recognised excellence in complex Systems Integration projects
- Atos Origin's excellent track record in merging businesses
- Larger market capitalisation - enhanced market profile

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*In € Million*

	H1 FY03				FY02			
	Atos Origin	Sema Group	Acquisition impact	Total Proforma	Atos Origin	Sema Group	Acquisition impact	Total Proforma
<b>Revenue</b>	<b>1,543.1</b>	<b>1,197.2</b>		<b>2,740.3</b>	<b>3,042.9</b>	<b>2,562.8</b>		<b>5,605.7</b>
Ebitda	178.1	83.3		261.4	388.6	145.3		533.9
<b>Income from operations</b>	<b>122.6</b>	<b>24.4</b>		<b>147.0</b>	<b>265.6</b>	<b>47.2</b>		<b>312.8</b>
Net financial expense	-12.3		-10.6	-22.9	-27.3	0.0	-20.5	-47.7
Non recurring items	-25.1	-22.0		-47.1	-70.8	-36.0		-106.8
Corporate income tax	-25.4	0.3	3.7	-21.4	-46.9	-23.8	7.2	-63.5
Minority interests	-6.5	-0.3		-6.8	-11.3	-1.1		-12.4
<b>Net Income before goodwill</b>	<b>53.3</b>	<b>2.4</b>	<b>-6.8</b>	<b>48.9</b>	<b>109.3</b>	<b>-13.6</b>	<b>-13.2</b>	<b>82.4</b>
Amortization of Goodwill	-29.0		-20.7	-49.7	-38.4		-41.3	-79.8
<b>Net Income Group Share</b>	<b>24.3</b>	<b>2.4</b>	<b>-27.5</b>	<b>-0.8</b>	<b>70.8</b>	<b>-13.6</b>	<b>-54.6</b>	<b>2.7</b>

### Acquisition impacts

Pro forma financial interest on acquisition debt (ie costs)  
 Pro forma tax impact on interest cost  
 Pro forma goodwill amortization over 20 years

**H1 FY03**

**FY02**

-10.6

-20.5

3.7

7.2

-20.7

-41.3

*In € Million*

	H1 FY03				FY02			
	Atos Origin	Sema Group	Acquisition impact	Total Proforma	Atos Origin	Sema Group	Acquisition impact	Total Proforma
<b>Goodwill</b>	976		765	1,741	1,029		786	1,815
<b>Other fixed assets</b>	235	488		723	271	521		792
<b>Working capital</b>	187	300		487	191	264		455
<b>Capital employed</b>	<b>1,398</b>	<b>787</b>	<b>765</b>	<b>2,950</b>	<b>1,491</b>	<b>785</b>	<b>786</b>	<b>3,062</b>
<b>Equity</b>	775	472	335	1,581	784	457	363	1,605
<b>Provisions</b>	238	316		554	267	328		594
<b>Net debt</b>	386		429	815	440		423	863
<b>Capital allotted</b>	<b>1,398</b>	<b>787</b>	<b>765</b>	<b>2,950</b>	<b>1,491</b>	<b>785</b>	<b>786</b>	<b>3,062</b>

<b>Acquisition impact - goodwill</b>	<b>H1 FY03</b>	<b>FY02</b>	<b>Acquisition impact - net debt</b>	<b>H1 FY03</b>	<b>FY02</b>
Goodwill gross value	826.6	826.6	Acquisition debt		400
Goodwill amortisation over 20 years	-62.0	-41.1	Acquisition cost net of tax		8
<b>Goodwill net value</b>	<b>764.6</b>	<b>785.5</b>	Financial interest net of tax		15
			<b>Net debt end of 2002</b>		<b>423</b>
			Financial interest net of tax	7	
			<b>Net debt end of June 2003</b>	<b>429</b>	

# Combined Revenue & EBIT by Service Line FY03

In € Millions

	Revenue FY03			EBIT FY03			% Margin FY03		
	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co
Consulting & Systems Integration	1 454,4	1 255,1	2 709,5	82,5	77,3	159,7	5,7%	6,2%	5,9%
Managed Operations	1 575,9	1 116,4	2 692,4	197,5	71,1	268,6	12,5%	6,4%	10,0%
Corporate				-31,5	-74,4	-105,9	-1,0%	-3,1%	-2,0%
<b>Total</b>	<b>3 030,3</b>	<b>2 371,6</b>	<b>5 401,9</b>	<b>248,5</b>	<b>74,0</b>	<b>322,5</b>	<b>8,2%</b>	<b>3,1%</b>	<b>6,0%</b>

# Combined Revenue by Country FY02 -FY03

In € Millions	Revenue FY03			Revenue FY02			% growth		
	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co
France	1,045.7	396.7	1,442.5	1,086.2	469.3	1,555.5	-3.7%	-15.5%	-7.3%
UK	331.3	801.2	1,132.5	238.4	771.4	1,009.8	39.0%	3.9%	12.2%
Benelux	1,050.7	38.8	1,089.5	1,008.5	47.7	1,056.2	4.2%	-18.7%	3.2%
Italy	129.7	184.8	314.5	144.4	245.4	389.8	-10.2%	-24.7%	-19.3%
Spain	69.9	184.9	254.8	71.5	172.7	244.2	-2.2%	7.1%	4.3%
Germany + CE	223.7	61.4	285.1	226.3	92.3	318.6	-1.2%	-33.4%	-10.5%
Nordic		202.3	202.3		191.4	191.4		5.7%	5.7%
MEA	47.1	44.6	91.7	72.2	22.3	94.4	-34.7%	100.4%	-2.9%
Americas	76.6	309.8	386.4	132.3	371.5	503.8	-42.1%	-16.6%	-23.3%
Asia-Pacific	55.7	126.5	182.2	63.2	148.8	212.0	-11.9%	-15.0%	-14.1%
Others		20.3	20.3		29.9	29.9		-31.9%	-31.9%
<b>Total</b>	<b>3,030.3</b>	<b>2,371.5</b>	<b>5,401.9</b>	<b>3,042.9</b>	<b>2,562.7</b>	<b>5,605.6</b>	<b>-0.4%</b>	<b>-7.5%</b>	<b>-3.6%</b>

# Combined Revenue & EBIT by Country FY02 - H1 FY03 (1)

In € Millions

	Revenue		EBIT		EBIT margin	
	H1 FY03	FY02	H1 FY03	FY02	H1 FY03	FY02
France	726.2	1,555.5	55.2	159.9	7.6%	10.3%
UK	574.5	1,009.8	39.9	124.1	7.0%	12.3%
Benelux	550.4	1,056.2	61.2	129.7	11.1%	12.3%
Italy	153.7	389.8	4.8	24.7	3.1%	6.3%
Spain	129.8	244.2	11.6	23.5	8.9%	9.6%
Germany + CE	142.1	318.6	7.3	7.2	5.1%	2.3%
Nordic	92.0	191.4	-5.1	10.1	-5.5%	5.3%
MEA	60.2	94.4	6.7	25.2	11.2%	26.7%
Americas	213.4	503.8	5.9	-39.1	2.8%	-7.8%
Asia-Pacific	89.3	212.0	18.1	16.7	20.3%	7.9%
Others	8.6	29.9	-2.5	-1.1	-28.7%	-3.6%
Corporate			-56.1	-168.1	-2.0%	-3.0%
<b>Total</b>	<b>2,740.2</b>	<b>5,605.6</b>	<b>147.0</b>	<b>312.8</b>	<b>5.4%</b>	<b>5.6%</b>



# Combined Revenue & EBIT by Country FY02 - H1 FY03 (2)

In € Millions	Revenue H1 FY03			Revenue FY02			EBIT margin H1 FY03			EBIT margin FY02		
	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co	Atos Origin	Sema Group	New co
France	531.5	194.8	726.2	1,086.2	469.3	1,555.5	10.5%	-0.3%	7.6%	10.7%	9.3%	10.3%
UK	170.5	404.0	574.5	238.4	771.4	1,009.8	2.7%	8.7%	7.0%	5.4%	14.4%	12.3%
Benelux	531.9	18.5	550.4	1,008.5	47.7	1,056.2	11.4%	4.2%	11.1%	12.9%	-0.2%	12.3%
Italy	67.9	85.8	153.7	144.4	245.4	389.8	4.6%	2.0%	3.1%	0.3%	9.9%	6.3%
Spain	36.1	93.6	129.8	71.5	172.7	244.2	5.0%	10.4%	8.9%	4.3%	11.8%	9.6%
Germany + CE	111.9	30.2	142.1	226.3	92.3	318.6	4.7%	6.7%	5.1%	2.4%	2.0%	2.3%
Nordic		92.0	92.0		191.4	191.4		-5.5%	-5.5%		5.3%	5.3%
MEA	24.0	36.2	60.2	72.2	22.3	94.4	9.3%	12.5%	11.2%	19.8%	49.1%	26.7%
Americas	41.9	171.5	213.4	132.3	371.5	503.8	3.0%	2.7%	2.8%	5.9%	-12.6%	-7.8%
Asia-Pacific	27.4	61.9	89.3	63.2	148.8	212.0	8.1%	25.7%	20.3%	9.1%	7.3%	7.9%
Others		8.6	8.6		29.9	29.9		-28.7%	-28.7%		-3.6%	-3.6%
Corporate							-0.9%	-3.5%	-2.0%	-1.0%	-5.4%	-3.0%
<b>Total</b>	<b>1,543.1</b>	<b>1,197.1</b>	<b>2,740.2</b>	<b>3,042.9</b>	<b>2,562.7</b>	<b>5,605.6</b>	<b>7.9%</b>	<b>2.0%</b>	<b>5.4%</b>	<b>8.7%</b>	<b>1.8%</b>	<b>5.6%</b>